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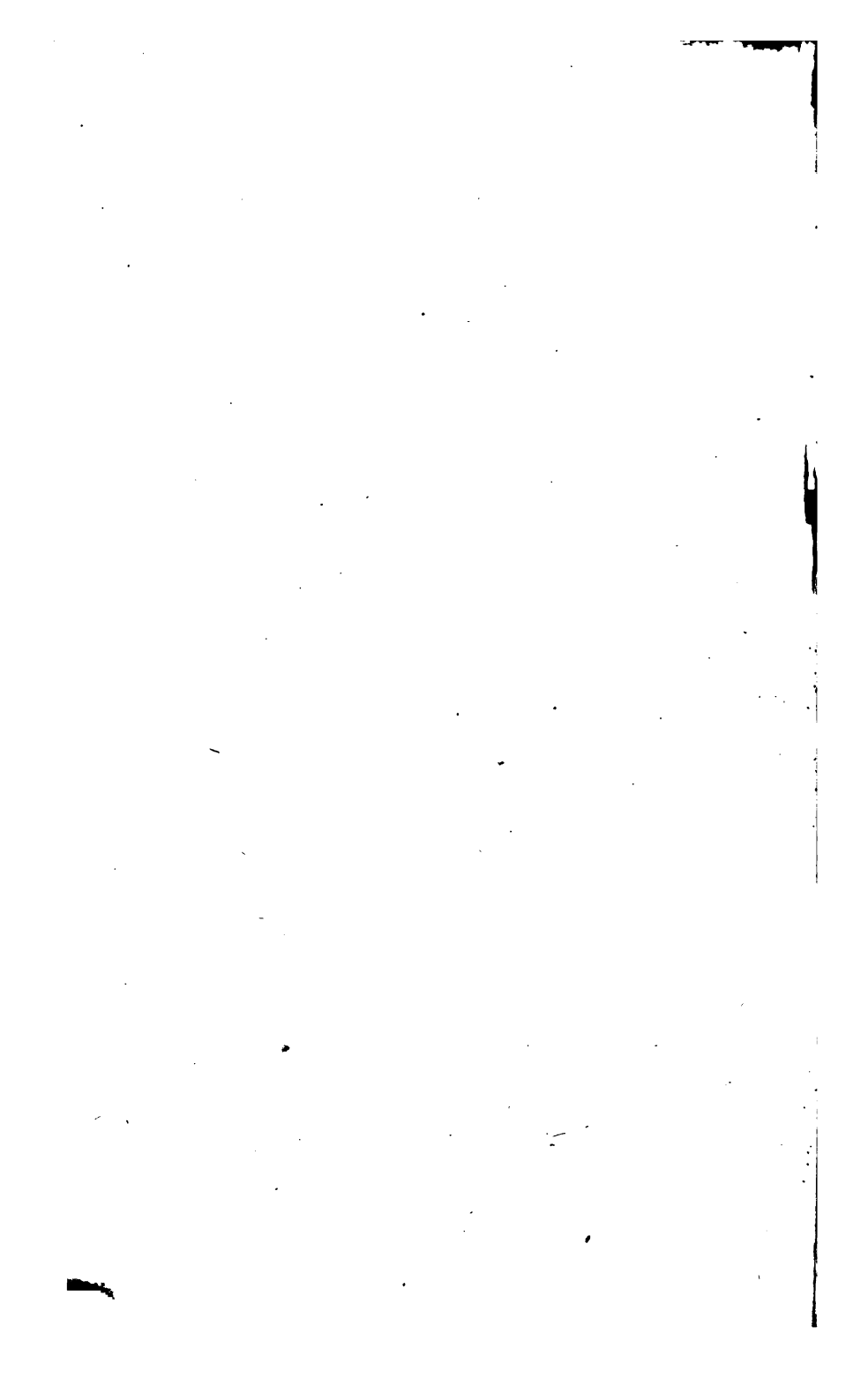
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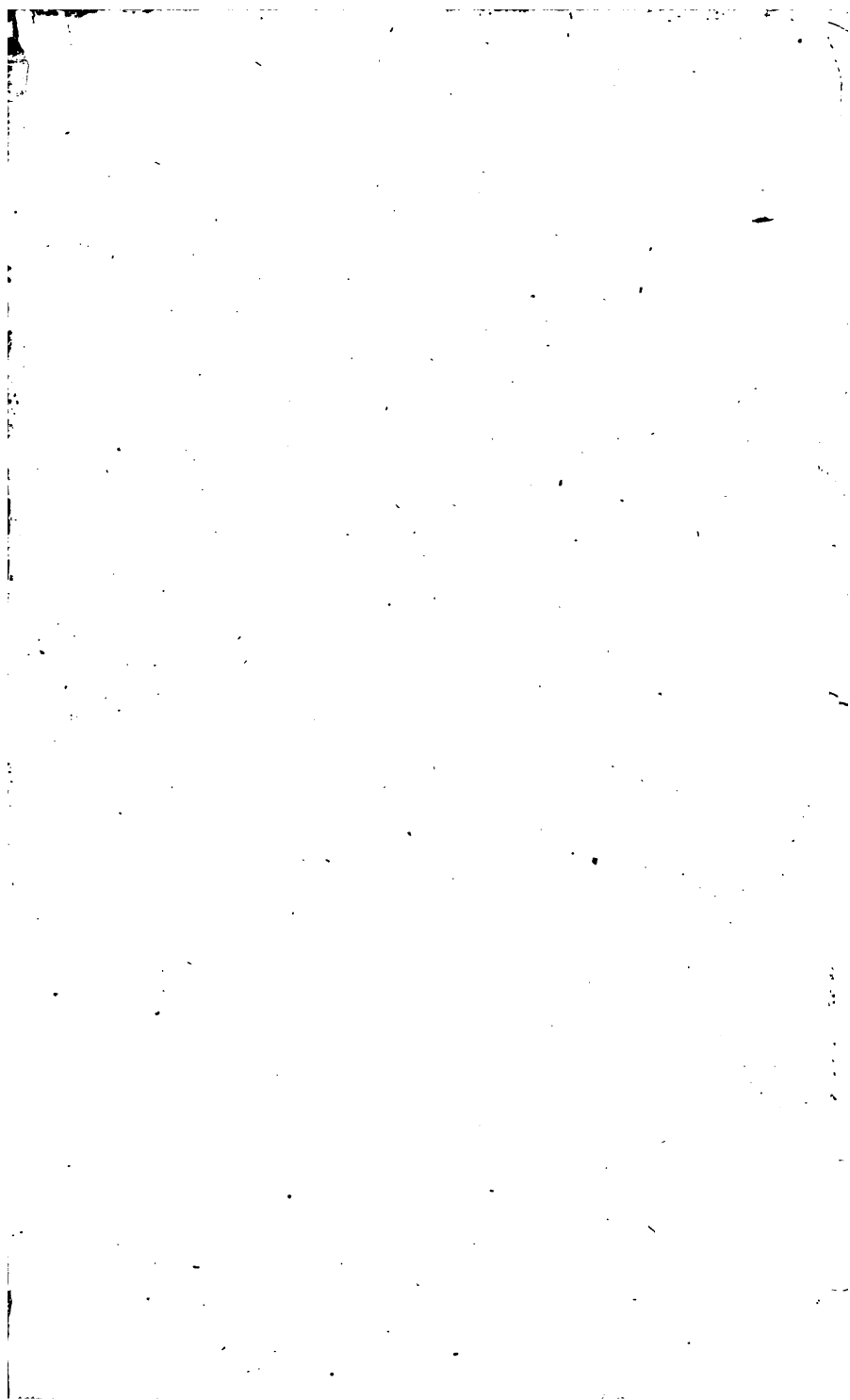


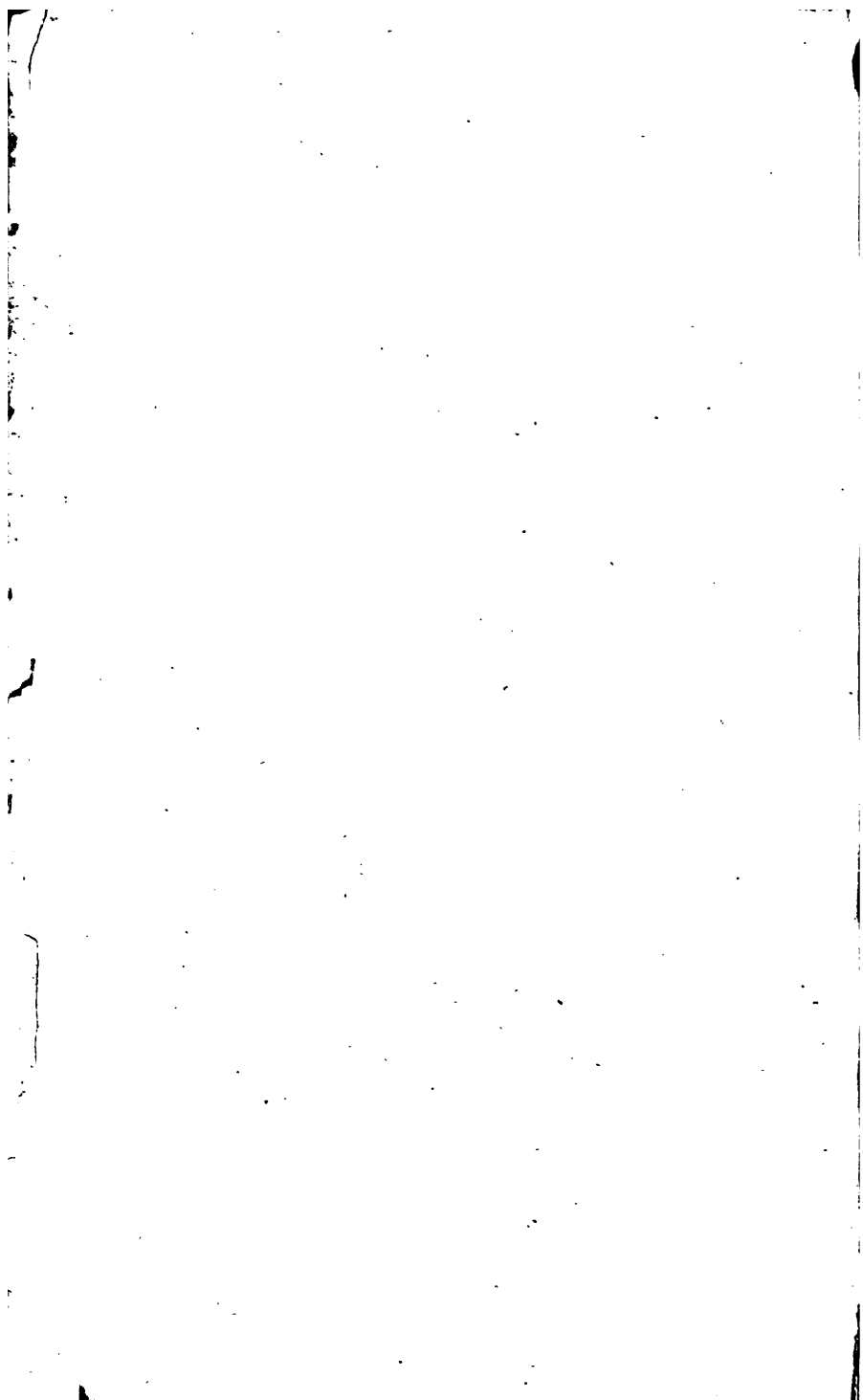
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P O L I T I C A L

REFLECTIONS

U P O N T H E

F I N A N C E S

A N D

Commerce of *France*;

Shewing the Causes which formerly obstructed the Advancement of her Trade; on how much better footing it stands now than it did under *Lewis XIV.* with several Expedients for raising it still to a greater Height.

Containing, among many other curious Things;

An Account of the Proportions of Gold and Silver in the several Coins of *Europe*.

A Comparison of the Revenues of *Lewis XV.* with those of several of his Predecessors.

An Examination of the Course of Exchange between *Paris, London,* and *Amsterdam,* for a considerable number of Years together.

Dissertations upon Navigation and Commerce in General.

The Necessity of *France's* constantly maintaining a strong Naval Force. And,

A curious Plan for enabling her to keep up a very powerful Fleet with the greatest Oeconomy and Advantage.

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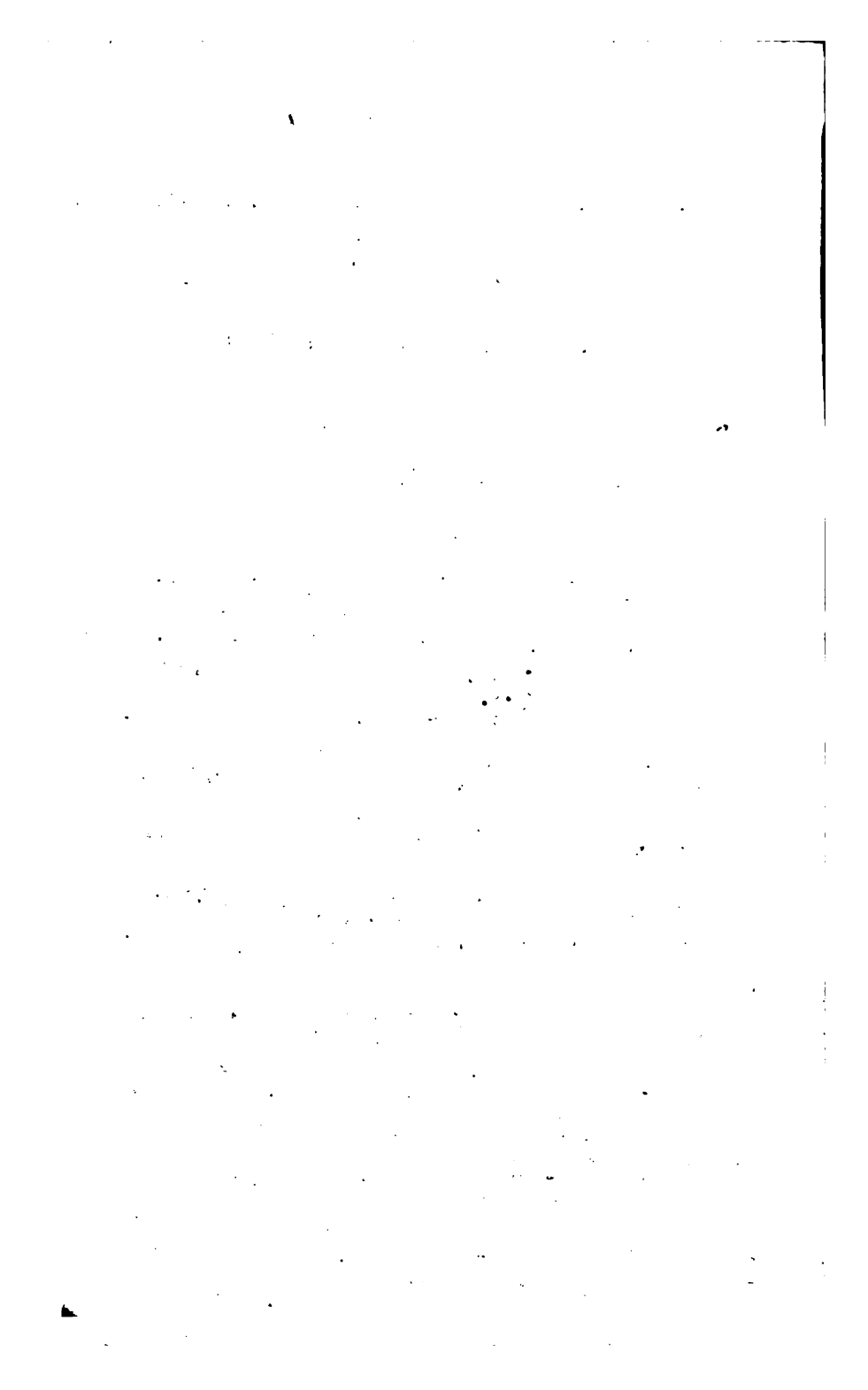
Translated from the *FRENCH*;

With a Preface by the TRANSLATOR, setting forth the Reasons of publishing the Book at this Juncture.

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L O N D O N :

Printed for A. MILLAR, over-against St. Clement's Church in the Strand, 1739.



# P R E F A C E.

*'T*IS too well known that France at present is the formidable rival of Britain in commerce, and consequently in power, riches and grandeur. By the fruitfulness of her soil, the commodiousness of her sea-ports, the frugality and industry of her people, she is blest with advantages for commerce beyond what most other nations can boast. These advantages the wisdom of her policy, especially of late years, hath already improved to a very considerable pitch, and laid a foundation for raising her trade one day upon the entire ruin of her neighbours, unless they will be excited by her example to look well to themselves.

The French, instead of proposing to extend their power by conquest and the sword; are now become sensible, that the most effectual way to gain the superiority over their neighbours is, to apply themselves with vigour to the peaceful arts of commerce and navigation: Thus 'tis they flatter themselves, in a particular manner, with the hopes of being able to bumble the pride of the haughty Islanders, as this Author is pleased to call the English.

The present Ministry of France hath learned, from experience, to correct the bad measures of former reigns; and, by pursuing a course of sound politicks, hath brought their trade, in all its branches, to such an advantageous footing, that it flourishes and ad-

vances daily as fast as that of some of her neighbours is falling into decay. When such is our situation, with regard to our most dangerous rival Power, methinks 'tis high time for the genius of Britain to awake. The present conjuncture especially calls aloud upon the legislature to interpose in behalf of the sinking trade of this nation, when complaints of its decay are coming up from all quarters, and when the commerce of the neighbouring nations seems to be rising fast upon our ruin. This is what will too evidently appear from the following book which is therefore offered to the serious perusal of the English Reader in his own language. There every Britain may find some of the strongest motives to kindle in his breast a true patriot zeal. If there be any force in a noble example of publick spirit, here it will be felt; the Author thro' the whole of this book appearing to be animated with the warmest concern for the welfare of his country, without any partial design to serve his own private interest, or to promote the sinister views of a party.

What gave occasion to the writing of the book was a treatise publish'd in France, intitled *Essai Politique sur le Commerce*; that essay is written with a great deal of spirit and lively eloquence, which makes it the more dangerous, because several of its maxims are very false, and of universal bad tendency. Our Author therefore thought proper to guard his Countrymen against the pernicious influence of some of its principles, especially those relating to Money, by stripping them of their specious insinuating dress, and examining them in the light of simple naked truth: Thus his performance is rather a masterpiece of reasoning, than an elaborate work of eloquence; but what

## THE PREFACE.

v

*it wants in ornament, the reader will find to be fully compensated by justness of thought, solidity of argument, and good sense.*

*His great design is to shew what were the main obstacles and impediments to the advancement of the French trade some years ago; on how much better footing it stands at present; and at the same time to lay down several expedients for raising and extending the commerce of his country to a greater pitch of perfection than ever.*

*As one of the chief errors contained in that book now quoted is concerning the raising of Money, which the Author alledges to be a convenient and useful expedient upon many occasions: In opposition to this, our Author detects the fallacy of his reasoning in every particular, lays open the fatal consequences that flowed from the frequent variations of the Coin under Lewis XIV. and in other reigns; and, by tracing the subject to its first principles, shews that the same consequences must always unavoidably follow from pursuing such unpolitical measures. Here the reader will see what pains a French Author takes to set his countrymen right, in a matter wherein he thinks their interest so nearly concerned; and from the general strain of his reasoning, it will appear what good use he has made of some of the best of our writers upon the same subject, particularly of Mr. Locke and Mr. Mun, whose authority he often quotes, and with whom he is perfectly agreed as to the substance of the argument which he has carried to a very great length, and set in the clearest light.*

*He comes after this to enquire into the nature of wholesale and maritime trade in general; considers the natural advantages that France enjoys for carry-*

ing it on; and to remove the prejudices of some of his countrymen, particularly of the nobility, against embarking in trade, as if it were incompatible to the honours of their birth, he shews from the examples of Kings and Emperors, and several of the greatest men of antiquity, who thought it not below them to be Merchants, in what high esteem and reputation it was justly held among the wiser ancients, especially the Greeks and Romans. And the more effectually to root those groundless prejudices out of the minds of his countrymen, he sets before them the examples of other nations, particularly of the English and Dutch, the Venetians and Genoese, among whom the greatest men frequently bring up their sons to trade and merchandise, and proposes that premiums of honour should be given by the State for the encouragement of commerce.

He treats also of navigation, and shews the necessity of constantly maintaining a strong naval force, without which all the land forces that France can raise will not be sufficient, in his judgment, effectually to extend and secure their commerce.

And lest the great expence of his scheme should deter from the execution of it, he has laid down a curious plan for carrying it on with the greatest oeconomy, and to the best advantage; from an estimate of the charges of their fleet in 1681, the most flourishing one that France ever had, he shews that the expence is not near so large as most people are apt to imagine, and that it is but very inconsiderable in comparison of the vast advantage he hopes his country will reap from it. And to compleat his scheme, he considers the State of the sea-ports, and proposes to  
have



have one in the channel more commodious than any they have had hitherto.

Besides these, the Reader will find several other things in the book that are no less curious than useful and instructive; such as, an account of the state of the Finances under Lewis XIV. and during the present King's minority; of the confusion and misery that were introduced into the Kingdom by the bad measures that were then pursued; a comparison between the revenues of Lewis XV. and those of several of his predecessors, where the Author shews that, in proportion to the advanced price of things, and to the encrease of charges, pensions and places, the present King is not so rich, that is, has not so much Money in proportion to his demands, as Lewis XII, Francis I. and II. Henry II. and III.

There is also a very curious article upon the proportion between Gold and Silver, as it is in the Coins of the several States and Kingdoms of Europe; the principles whereon that proportion is founded, are accurately examined and explained. This is a thing of great importance to be considered, nor can the proportion between those precious metals be adjusted with too much precision and exactness, lest the Kingdom be gradually drained of its Money, since that metal which is too low valued, with respect to other nations, will be carried where it gives the highest price. And here I am obliged to observe that our Author appears to have been led some way or other into an error in stating the proportion between Gold and Silver in England as he has done: For any one who gives himself the trouble to make the computation will find it to be  $15\frac{7}{10}$  or  $\frac{1}{2}$  to 1 in-

stead of  $14\frac{2}{3}$ , as he makes it. The English gold Coin is 22 Carats fine, and  $44\frac{1}{2}$  guineas are cut out of a Pound Troy: The silver Coin again is 11 Ounces 2 Penny weight fine; that is, there are 18 Penny weight of alloy in the Pound Troy, and 62 Shillings are cut out of the Pound. Whence the value of the Pound weight of fine Gold will amount to 50l. 19s. 5d.  $\frac{1}{3}$  sterling, and the value of the same Pound Weight of fine Silver to 3l. 7s. and somewhat more than a farthing, viz. 67.027 s. Consequently fine Gold is to fine Silver as  $15\frac{1}{3}$  to 1, whereby it appears that Gold is higher, and Silver lower rated in England than in any other nation in Europe. In Spain and Portugal indeed the proportion of Gold to Silver in their Coin is as 16 to 1; but as this high price of Gold carries away their Silver, and there is, on that account, for the most part a premium of 6 per cent. on payments in Silver, it comes to the same thing as if Gold was to Silver there really as  $15\frac{1}{3}$  to 1. So that we may say, without exception, Gold is higher valued in England than any where else in Europe. The consequence of which is the draining the Kingdom of its Silver; and therefore 'tis humbly submitted to the legislature, if 'tis not highly necessary to remedy such an inconveniency.

But of all the articles contained in this book, none appears to be of greater importance than that which treats of the course of exchange, between Paris on the one hand, and London and Amsterdam on the other; which the Author has traced with great accuracy for a considerable number of years. Hence exceeding useful observations may be drawn; for the course of exchange is, as he justly expresses it,  
The

The Barometer of Commerce, whose risings and fallings, as evidently shew the state of trade in any particular country or nation, as the variations of the mercury shew the state of the atmosphere. By inspecting this political Barometer, the Reader will see that France, all along, had the balance of commerce with England, except when her trade was cramp'd by the alterations of her Coin, especially by affixing two nominal values to two parts of one specie, which differed in nothing, but that the one was new and the other old; both being of the same weight and standard. Hence it appears that we take much more of the French commodities, arts and manufactures, than they take of ours; by which, so far as it is unnecessary, we contribute to our own undoing. 'Tis therefore incumbent on all who have the publick welfare at heart to retrench the use of those superfluous foreign commodities, which drain the Kingdom yearly of such vast sums of Money, and yet are subservient only to luxury and sensuality. 'Tis in vain to make laws against the exportation of Money while the balance of trade is against us; for what foreign goods we take must either be compensated by bartering an equivalent quantity of the goods of our own production and manufacture, otherwise our Specie, or, which is much the same, our bullion, must go to pay the balance; bills of exchange being no better than common paper, if they are not to be answered with Money. The only way therefore to save that expence to the nation, is to controul that exorbitant luxury which so much prevails among us. Not that I would be understood to condemn all that may come under the notion of luxury, such as sumptuous equipages, and all the branches of expensive living in the rich

rich and great; while men's expences exceed not their revenues, nor are laid out upon unnecessary foreign commodities, the thing is only of a private nature, and does not directly affect the publick; nay, 'tis rather publickly beneficial, by promoting the circulation of Money, and the consumption of our own productions and manufactures: But the immoderate use of gold and silver plate, the consumption of these precious metals, which are the instruments of commerce, in laced cloaths, brocade stuffs, and embroideries; the extravagant propensity we have to wear foreign velvets, silks, cambricks and linen, and to drink nothing but French wines, whereby the Kingdom is drained of its Specie, and our own Manufactures neglected and discouraged; all these and the like branches of luxury are most pernicious to the publick, and by all means to be discountenanced. Such luxury is a sad forerunner of national ruin, as it is commonly accompanied with a general corruption of manners; thereby the demand for Money is increased, which of consequence begets avarice, and a venal mercenary temper; and no measures are so base, so servile and infamous, to which a temper subdued by avarice, and the love of Money, is not capable of being bribed and corrupted.

——— Quid non mortalia pectora cogis,  
Auri sacra fames ———

'Tis not only the great ones that are addicted to this mischievous luxury; the distemper is become epidemical, and hath over-run the whole nation: nor will the commonalty be able to clear themselves from the same imputation. The lowness of their  
fortunes

fortunes indeed checks the growth of their luxury, and confines it within more narrow bounds; but what they want in power of doing national mischief, they more than compensate in number. Let us only suppose, at a moderate computation, that every subject of Britain expends half a crown a year on superfluous foreign commodities; this, tho' it appears but an inconsiderable national loss to the vulgar, who take only partial narrow views of things, will yet be found upon the whole to amount to a very great sum, no less than a million of Money, the number of inhabitants belonging to this island being reckoned about 8 millions of people; so that 'tis little wonder if the nation begins to sink under such an immense loss.

To stop the source of such national calamity, is a task in which all who are true lovers of their country ought to unite their honest endeavours. It belongs to the legislature to consider how far it may be necessary in such a situation to enact sumptuary laws, with proper regulations; which indeed never seem to have been more necessary than they are at present. In the mean time, 'tis to be wish'd that all true patriots would exert their publick spirit, by abstaining from the use of those foreign goods and commodities, the importation whereof is so ruinous to their country: Unless this be done, taxes and prohibitions will be but of small avail; for so long as the demand for any commodity continues, the prospect of gain will always tempt some to carry on a trade, however destructive it may prove to their country. The French are remarkable for confining themselves to the use of their own manufactures, and are so far from valuing things the more for being foreign and far fetch'd, that they glory in the richness

*richness of their soil, and the industry of their people, whence they are furnished with the necessaries and comforts of life, in so much plenty, as not to need to be beholden to their neighbours. What pity is it that the same conduct is not more universally observed amongst us, especially now when our own manufactures are brought to so great perfection, and multiplied to such variety, that we may be well enough provided at home with almost every thing, not only that nature, but even that luxury itself, can demand. Our Linen and Holland manufactures are now so well improved as to be capable of vying even with those of the Dutch themselves; and our Cambricks and Laces want nothing but proper encouragement to bring them to the same pitch of perfection.*

*'Tis very much to the honour of some gentlemen, that they have been determined from such publick and disinterested views to come under engagement to use no superfluous foreign commodities, but to give all due encouragement to their own manufactures. An example, so worthy of imitation, will, I hope, animate others to copy after it.*

*As for this translation, I shall only say, that we have endeavoured to make ourselves masters of the subject of the book, and to make it easy and intelligible to the Reader. Any one who looks into the original will see, that the translating of it could not be an easy work, partly from the nature of the subjects it contains, and partly from a multiplicity of phrases that occur in it, whose sense depends upon the knowledge of several things, to which many, even of the natives of France, are mere strangers: These we have taken care thoroughly to understand, and have added several marginal notes to explain them to the Reader,*

## The PREFACE. xiii

*Reader.* Some pages that have no necessary connection with the main subject of the book, and in which a vast many figures and tedious calculations occur, that would have been very tiresome to the bulk of Readers, or perhaps quite overlooked by them, we have therefore omitted, resuming the subject with the Author.

In that part of the book which treats of the course of exchange, and in some other places where calculations are carried on, there are tables inserted, setting the several steps of the calculation before the Reader's eye at one view. And we have added another table, reducing the present value of the French Coins to their proportional value in English Money, that they who are curious may readily find the amount of any sum of Livres, Sols and Deniers, in Pounds, Shillings and Pence sterling.

Upon the whole, as this book serves to lay open the aspiring ambitious views of the French nation, and the means whereby they are endeavouring to accomplish their end, it claims the consideration of all who have the interests of their country at heart, and especially demands the serious attention of the legislature.

ADVER-

# ADVERTISEMENT.

THE Author's manner of working the two calculations in page 150 and 226 is not very obvious to every Reader: He first clears both sides of the equations from fractions, and then having cancelled some of the terms, and reduced others to their lowest form by a common divisor, he multiplies those that remain on either side, and brings them to one equation.

But the same question may be more easily resolved by common Arithmetick: *e. g.* in the first calculation, the value of the Rixdollar of *Holland* is to that of the *French* Crown, in a compound ratio of the weight and fineness, *i. e.* as  $9 \times 10\frac{1}{4}$  to  $8\frac{1}{2} \times 10\frac{3}{4}$ , or as  $160 \times 262$  to  $171 \times 245$ , or as  $32 \times 262$ , to  $171 \times 49$ , or as 8384 to 8379.

But the real Crown of *France* was at that time to the nominal one of 3 Livres, as 8384 to 7398, and consequently,

The value of the Rixdollar is to that of the nominal Crown, as 8379 to 7398, or as 100 to  $88\frac{7}{13}$ , *i. e.* (dividing both by 100 the number of *Deniers de gros* in a Rixdollar)  $88\frac{7}{13}$  Deniers or Gros are equal to 1 Crown or 3 Livres.

Then for the proportional value in Bank-Money say  $100 : 88\frac{7}{13} : : 96 : 84\frac{1}{2}$ .

As to the other question in page 226, its solution by common arithmetick is so obvious that we shall not trouble the Reader with it.

## E R R A T A.

Page 1. l. 3. read *A Political Essay*. P. 62. l. 2, for 1765, read 1705. P. 97. l. 9. dele *the*. P. 149. l. 17. read of *Holland*, instead of *Standard Holland*; l. 18. read of *Standard* for of *Silver*.



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POLITICAL  
REFLECTIONS  
UPON THE  
FINANCES.

TOWARDS the end of the year 1734, there came into my hands a Book just then come from the Press under the Title of *Political Essay upon Commerce*. The character of the Author induced me to read it with all the attention I am capable of.

Among many excellent things it contains, I found some wherein I could by no means agree with him. He is much for the raising of Money \*: An expedient which he even recommends as often as the King's Expence shall exceed his Revenues †, or when the taxes cannot be levy'd without military executions ‡. Nay more, he alledges that the preservation of the state was owing to the enhancement of the Coin in *May* 1709 §, and that the finances were supported *Anno* 1716 and 1717, by that in *December* 1715, notwithstanding the shock that was given to publick credit by the *Chamber of Justice* \*\*, &c.

\* Political Essay, page 174 of the 1st edition, and 173, 174 of the second.

† Page 237 of the first, and 224 of the second edition. No. 2, 3, and 4.

‡ Page 270 of the first, and 396 of the second edition, and 238.

§ Page 202 of the first, and 196 of the second edition.

\*\* Page 205 of the first, and 198 of the second. An extraordinary court erected for calling those to account who had been guilty of misdemeanours in the management of the revenues.

After having read over the book, I told some Persons that I was not of the Author's Mind about the raising of Money, tho' at the same time I was not for its being lowered; for I take it to be inconsistent with sound politicks to alter the numerical value of Money once well established: Money is the pledge or equivalent of our reciprocal exchanges, and the measure which regulates the value of exchanged goods. And therefore it ought to be kept as sacred and fixed, as any other standard or common measure.\* This Conversation was reported to the Author, who did me the honour to desire me to write down the reasons that determined me to that opinion, and communicate them to him, promising to return me an answer in writing, with assurance that he would bring me over to his way of thinking.

From a desire of improving in knowledge, and of receiving instruction; from a spirit of impartial enquiry, and not of censoriousness, a thing quite foreign to my disposition, I have made some remarks upon that part of the book which relates to the Coin, leaving to the men of trade the examination of the Author's maxims of commerce, as they are therein set forth.

What I principally intended by this enquiry, was to shew †, that the frequent variations of our Money have ever been, in all cases, exceeding detrimental both to King and People; that here, as every where else, the

\* Mr. Lock observes that Silver is the most proper measure of commerce, and would have Gold considered as any other commodity, with the difference only of a Stamp to ascertain its quantity and standard; for Gold and Silver cannot be both allowed to be the measure of commerce, since their Proportions to one another are still varying, according to the plenty or scarcity of the metals; but the proportion of the Parts of Silver, as of one metal, will always remain the same: And therefore the quantity and standard of the Silver Coin, under its several denominations, being once settled by publick authority, he would have to continue fixed and invariable to perpetuity.

† See in the first chapter, article 6, at the end. art. 3. Applications 1, 2 and 3. art. 8. Chap. 3. art. 4. p. 224. and seq. art. 6.

interest

interest of the Sovereign and that of his subjects are common and reciprocal, and that upon a pressing exigence of State, it will always be infinitely more advantageous to his Majesty, to have recourse to any other possible expedient, for raising the necessary supplies than to that of altering the Coin.

I hopelike wise to make it appear that it is more eligible to lay a tax upon the people, which provided they are able to bear, they ought to pay with the less reluctance and uneasiness, in regard that whether it be a hundredth, a fiftieth, a fortieth, a thirtieth, a twentieth, a tenth, or even a fifth part of their incomes, it will never be so hurtful to their interest as an alteration in the specie.

I flatter myself to be able to set forth these truths with the highest evidence, by examples of the past, and by the example of the present. I shall prove the solid and continued advantage, which our trade has derived from the uniformity and steadiness which the present government has so wisely maintained with relation to this standard, since the *Arret* passed on the 15th of June 1726, down to the present year 1736 \*. Whereby it appears that this Government, which is no less equitable than intelligent, has laid it down as a maxim that the Money ought as little to be altered as other standards and measures.

'Tis with a view to make the nation sensible of the infinite advantages, which it reaps and always shall reap, from the observance of this wise maxim, that I have been prevailed upon to publish these reflections. I had the honour to address them in three letters to the Author of the book, which is the subject of them. Of these three Letters I have form'd the three Chapters into which this work is divided.

\* This work was composed in three letters, addressed to the Author of the Political Essay upon commerce, at the beginning of September 1735, then put into the form wherein it now appears at the beginning of 1736.

In the first, I canvass some maxims that lie scattered up and down in that book, from the beginning of the tenth Chapter to the end of the seventeenth.

In the second, I examine whether the over-rating of the Money, which the Author defends, was really advantageous to our Kings and People, as he alledges \*. For this purpose I compare the revenues of *Lewis XII*, *Francis I*, *Henry II*, *Francis II*, *Henry III*, with that of *Lewis XV*, now reigning, keeping still in my eye the respective dominions possessed by each of those Kings, the extent of our dominions at present, the charges of each of those monarchs, and the price of commodities under each of their reigns.

If it be true that *the numerical augmentation is always advantageous to King and People considered as Debtors* †, then since *Lewis XV*. receives at this day much more numerically than any of the Kings his predecessors, he must be richer than any of them; but if it is not so, it follows that the additional expence, which he is laid under by the enhancement of the Coin, is not quite so indifferent to him as the Author will have it to be ‡; since both the one and the other becomes contrary to the interest of King and People as Debtors; a thing opposite to the maxims laid down by the Author in 210, 212 and 217 pages of his book, the first edition.

In the third Chapter, I examine whether those expedients of raising the Money be advantageous or hurtful to our trade. To find out this I trace the course of foreign exchange between *Paris* on the one hand, and *London* and *Amsterdam* on the other, these being the two cities with which we traffick most, and that from the first of *January* 1709, till the beginning of *April* 1717. And passing over the cloudy period of *Mr Law's* scheme, I resume my examination at the Month of *August* 1723, and end with the year 1734.

\* Page 217 of the first edition, and 208 of the second.

† Idem.

‡ Idem.

Exchange does not affect the Money, but it is the *true Barometer of Commerce*. It shews us day after day which of any two nations is owing the other, and consequently which of the two has the advantage in commerce. Farther, exchange expresses always the just value of our Money, be it high or be it low; it never allows more than the just value in appreciating goods of foreign growth which *France* receives; and it is susceptible of all the variations of Money that can happen in a State. For this reason the course of exchange to me appeared very proper to shew us the good or bad influence which either raising or lowering the specie produces upon our trade, and by consequence which is the most, or which the least disadvantageous. This is the point in question between the Author and me.

The proof, which I bring from foreign exchange against the alteration of Money, is new: To me it appears clear and demonstrative.

These reflections I have carried on with all possible accuracy; and yet I am far from asserting that they are quite free from mistakes, especially in the calculations, where it is easy to fall into them. They who observe any, will give me a sensible pleasure to advertize the Bookseller of them.

It has been said that the Author of the political essay upon commerce was too concise: On the contrary I shall perhaps be reckoned too prolix. And indeed I am sensible that I might have abridged my remarks in several places, where there are some repetitions and a detail of facts, which will perhaps be nauseous to men of deeper penetration: But as all men are not of that character, I judged that those repetitions and enumerations of facts might serve for lights to the greater number of readers, and that the same things by being repeated in different ways, and exhibited in every point of view, would acquire a greater degree of force.

What I proposed, as I have already said, was my own instruction, and to that end I have adhered closely

to clear evidence; and have endeavoured to prove by an induction of particular demonstrative facts, that our frequent variations of Money, have always been, in every case, very incommodious both to our King, our People, and our Trade.

## C H A P. I.

*Of certain maxims dispersed thro' the Political Essay from the 10th Chapter to the end of the 17th.*

### ARTICLE I.

*Whether, all things being equal, it is the Debtor or the Creditor that ought to be favoured.*

**I**N the 10th Chapter, \* page 172. and *sequ.* the Author says, ' It cannot be disowned that stipulations made for so many livres in tale, independant on the weight and standard, carry a certain idea of injustice, when there happens to be some variation in the Coin. Tho' the thing be evident, yet it is necessary for understanding the sequel to give an example of it.

' Suppose Silver at 50 Livres the mark †, and Gold in proportion, the Lewidores of 24 Livres in number at the rate of 30 in the mark; if *Peter* borrows 100 Lewidores from *James*, he will become Debtor to *James* in 2400 Livres in numerical value. If the day thereafter the King shall diminish the rate of the mark one sixth, and thereby reduce the Lewidore to 20 Livres, *Peter* shall then be owing to *James*

\* It is the 12th chapter of the second edition, page 172.

† Eight Ounces.



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120 Lewidores of the same weight and standard as he received. What *James* gains by this supposition, he would have lost had there been an equal augmentation; for in that case *Peter* would have discharged his debt with a less quantity of *Lewidores* of the same weight and standard with those he had received.\*

I answer there would have been no injustice in the case, if the Money was repaid upon the foot it was worth at the time of making the loan or bargain, as was the practice in former times; for then in the case of raising or lowering the Coin, there would neither be gain nor loss either on the side of the Debtor or of the Creditor; and the justice of this will appear by considering that it is not enough that the Creditor receive the same number of *Livres* or *Sols*, which are nothing but imaginary names: These *Livres* or *Sols* must be exactly the same in value; that the same quantity of Gold and Silver may be returned which was given in weight and standard: otherwise loss must be sustained on one side or other, as in this supposition, *Peter* evidently loses 20 *Lewidores*; but then what does this loss to him? has he not gained by paying his Creditors after the specie has been raised? 'tis then reasonable that he lose in the same proportion when it is lowered: *Peter* ought not to complain of *James's* gain, since had there been an enhancement instead of a diminution of the Coin, *James* would have received proportionably less. The injustice therefore is equal on either side; there is no more reason to favour the one than the other, and consequently I don't see which is the most advantageous to the state, whether the raising of the specie or the lowering of it; the Author however, whose book gives occasion for these remarks, decides in favour of the former, according to the maxim he lays down, page 174 \* and which he thus expresses.

'All lowering of Money favours the Creditor, and the raising thereof the Debtor;' this is undeniable, if

\* Page 173 and 174 of the second edition.

the same pieces are not to be given which were received ;  
 ‘ and all things being equal with respect to the state,  
 ‘ adds the Author, the Debtor ought to be favoured.’  
 That is to say, according to this maxim, the specie  
 must be raised.

For my part, to say it once more, I don’t see any  
 more reason for favouring the Debtor than for favour-  
 ing the Creditor ; I only see that this maxim is not  
 advantageous to the circulation of specie, nor to credit :  
 It must needs make an alteration in both ; nay it may  
 possibly be a mean of introducing usury, because the  
 Creditor will have recourse to some method of repairing  
 the loss he suffers in the quality of a Creditor. And  
 indeed, who would be willing to lend or give credit to  
 any one, when the Debtor is to be favoured ? will the  
 hope of gaining the legal interest be a sufficient induce-  
 ment to him ? this is what I would not promise for.

And yet, if it is not so, there is an end of all credit,  
 of all circulation, and consequently of all trade.

\* To support this maxim, the Author says in the  
 same place, † ‘ that some of our Kings by diminish-  
 ‘ ing the Coin, (that is when they returned from the  
 ‘ light to the heavy Money) had regard to the preju-  
 ‘ dice which the Debtors sustained by it ; there are to  
 ‘ that purpose several *Ordonnances* ‡ by *Philip le Bel*,  
 ‘ *Philip de Valois*,’ &c.

The *ordonnance* however of *Philip le Bel*, given in  
 the month of July 1302, ordains that debts be paid in  
*pieces*, such as their common value was at the time of the  
*contract*. That of October 4, 1306, ordains that debts  
 payable after a term of several years be paid according to the  
 same value that Money had at the time when the *contracts*  
 and agreements were entered into, and according to the rate  
 which the mark of Silver bore at that time. Collection of  
 the *Ordonnances* by *Lauriere*.

\* See hereafter article 5, the bad effects consequent upon the de-  
 cay of credit and circulation.

† Page 174 of the first and second edition.

‡ All laws made by the King’s sole authority.

Those of *Philip de Valois*, dated December 16, 1329, and that in 1343, bear that loans and debts that have swelled from the date of the bond to the term of payment, shall be paid in the Money that was current at the time when the contract or loan was made. *Le Blanc* in his *Prolegomena*.

The 24th of November 1354, when King *John* returned to the heavy Money \*, and ordered the coinage of the gold pieces, called *Moutons d'Or*, rated at 52 in the mark, he made the same regulation for payments.

*Charles VI*, by his statutes of the 26 of June and 15th of December 1421, orders that all real debts contracted in Money without fraud, be payed in such Money as was borrowed, if it be in full currency at the time of payment, if not, the payment shall be made in Money then current, according to the value and worth of the mark of Gold, if Gold was received, or of Silver, if it was Silver, notwithstanding any promises or obligations given to the contrary. *Le Blanc*. ditto.

This is by no means to favour the Debtors, 'tis on the contrary to have great regard to the prejudice which the Creditors might have sustained thereby, which is the reverse of what our Author says.

These Laws are equitable; they neither favour the Debtor nor the Creditor; because there is no reason for favouring the one more than the other. *Accordingly I find in Puffendorf's Law of Nature and Nations*, B. 5. c. 7. §. 6. 'That when between the time of the loan and the time of payment alterations are made in the Coin, the Money shall be repaid according to the rate of what it was worth at the time of transacting the bargain.'

He subjoins §. 7. that the Lawyers, of whom he speaks in his notes, alledge, 'that the raising or lowering the specie, tend to the respective profit or detri-

\* That is full weight according to the standard of the Mint.

† A sort of Coin which was stamped with a sheep, and these words *Ecce Agnus Dei*; the value of one of those Pieces was 12 Sols, six Deniers *Tournois* at that time, which make seven Livres, 10 Sols now.

‘ment of Debtors.’ From all which it would seem that our Author’s maxim is not very well supported either by those *Ordonnances*, or by *Puffendorf*.

## ARTICLE II.

*Whether the insurrection of the people under Philip le Bel was owing to the diminution of the numerical value of Money.*

IN the 185th and following pages the Author delivers himself to this purpose: ‘The complaints or rather clamours of the people, induced *Philip le Bel* to a recoinage in heavy Money, as in the time of *S. Lewis*, that is to say, when the new value was in tale two thirds lower. The double imprudence of this proceeding must have brought about, and actually did bring about more disorder than all that went before. *First*, Because this excessive lowering the coin ruined the Debtors, put them for ever out of a capacity of discharging their debts. In the second place, because he did not suppress the old light Money, between which and the new there was a disproportion of two thirds.

The first cause which the Author here assigns of the disorder arising from that lowering the Coin, is, ‘that it ruined the Debtors, and put them for ever out of a capacity to pay their debts;’ these are his terms. According to *Le Blanc*,\* from whom he has borrowed what he says on this subject, this fall of Money happened on *St. Remy’s Day 1306*; that is, on the first of *October*: Now I have quoted in the preceding article the passages in the *Ordonnances of Philip le Bel*, dated *July 1302*, and *October 4, 1306*; *Whereby it is enacted, that debts shall be paid upon the foot of what the specie was worth at the time of the Loan*. The last, which is precisely dated at the time of this fall, ‘Ordains that debts

\* *Treatise of Coins, Paris edition, page 217.*

‘ be paid according to the value that Money had at  
 ‘ the time of making the contract or agreement, and  
 ‘ according to the rate of the mark of Silver at the  
 ‘ time aforesaid.’ By this *Ordonnance*, dated three days  
 after the fall which the Author speaks of, the Debtors  
 lost not one farthing, since they gave back only  
 what they had received: This is clear; therefore that  
 lowering of the Coin never could ruin them, nor put  
 them out of a capacity of discharging their debts, as  
 the Author says: It was not therefore the cause of the  
 sedition.

I ingenuously declare, that as often as I have read  
 what passed under *Philip le Bel*, in relation to the Coin,  
 I never could see that his sinking the specie, which he  
 did on *St. Remy's Day*, *Anno 1306*, either was, or  
 possibly could be the cause thereof; for what ground is  
 there to believe it? The people is glutted with light  
 Money: Their *complaints and clamours induce the King to*  
*a recoinage in heavy Money*; these are the terms of our  
 Author, and those of *Le Blanc*, and yet no sooner is  
 this heavy Money coined, than the people mutiny and  
 throw off all respect: Is it to be thought that their re-  
 volt was occasioned by a coinage of heavy Money,  
 which they themselves importunately demanded? It has  
 always been my opinion that the cause of that sedition  
 could be justly imputed to nothing but the light Mo-  
 ney which *Philip* did not suppress, and with which he  
 would needs pay the people, at the same time exacting  
 payment from them in heavy Money: This iniquity  
 turned the people quite desperate; and having no longer  
 any thing to lose, they soon renounced all duty and alle-  
 giance. This, I am persuaded, was the true cause of the  
 sedition mentioned by the Author, and not, as he says,  
 the lowering of the specie, which the people themselves  
 had so eagerly demanded. I likewise maintain, that if  
 the light Money had been suppressed, and the people  
 been paid in heavy Money, they would have paid their  
 own debts in the same without repining, nor had any  
 sedition ensued, this reasoning to me appears evident.

The

The Author in proof of his allegation quotes to this purpose what is said by *Sponde* and *Du Moulin*, the passages from whom are given in *Latin* by *Le Blanc* \*, and translated by the Author of the Political Essay † in these terms.

‘ The King having changed the light Money, which  
 ‘ had been current for eleven years, into heavy Money,  
 ‘ as it was in the time of St. *Lewis*; hence came an high  
 ‘ insurrection of the people, because from that time  
 ‘ forth the payment of all things was to be made at  
 ‘ the rate of that heavy Money, to the great loss of  
 ‘ the people. The *Parisians* turned seditious against  
 ‘ the King, &c.’ *Du Moulin* adds, ‘ and against *Stephen Barbette*, whose house and fine gardens the incensed people pillaged, because the covetous wretch, being richer than others, had given that advice, in order to oblige the poor, who were owing rents on lands and houses, to pay them in heavy Money and intrinsic value.” Our Author adds in the same place ‡, ‘ that it is of importance to remember these two passages, for they answer almost all the complaints about the raising of specie, and we see that in those times people had a notion in their heads of a pretended intrinsic value of the mark about 54 Sols, value in the time of St. *Lewis*.’

The passage of *Sponde*, and that of *Du Moulin*, necessarily suppose that payment was required to be made by the people and by the poor in heavy Money; and that on the contrary, the King and the Gentlemen of fortunes were to pay in the old light Money. The former says, *that this payment in heavy Money was to the great loss of the people*. As for *Du Moulin* he mentions expressly the rents for lands and houses owing by the poor.

\* Page 218 and 219.

† Political Essay, Page 186 of the first edition, and 183 of the second.

‡ Essay, page 187, and 184 of the second edition.



As the Author of the book, which is the subject of these remarks, cites *Sponde* and *Du Moulin*, 'tis to be supposed that he considers them as rational Authors. But in no sort would they be so, had they not had in view those two different sorts of payments, and had they meant *only that pretended intrinsic value* which, says our Author, was in people's heads at that time: Thus I don't see that what is said by *Sponde* and *Du Moulin*, answers, as the Author alledges, the complaints made with respect to the raising of the Specie: The contrary appears more probable. What *Le Blanc* says, confirms me in this opinion, and though I will not justify him, yet I don't find his preamble so obscure and so ambiguous as our Author would have it, page 188. Let us hear *le Blanc*, to this effect he expresses himself, page 217.

' The King reduced the rate of the mark of Silver from eight Livres, ten Sols, as it then was, to 55 Sols; six Deniers, *Tournois* †; and upon this foot he ordered to be coined silver Groats *Tournois* ‡, and *Parisian Deniers* as good as those in St. *Lewis's* time: But upon coining that heavy Money, he allowed the Light to pass without reducing its currency, to make it equal with the good Money, which was the cause of vast disorder.'

In this I see neither obscurity nor ambiguity; the fault is in having let the light Money be current without reducing it to an equality with the good, but by no means in coining the good; this is clear: In the following 218th page, *Le Blanc* thus delivers himself:

\* Page 217 and 218.

† There were two Coins current in *France*, the *Parisian* and the *Tournois*; the former was a fourth heavier than the other, inasmuch that 100 *Parisian* Livres were worth 125 of the other: But in the time of *Lewis XIV.* the *Parisian* Coin was abolished, and the *Tournois* established.

‡ An ancient Coin which St. *Lewis* caused to be minted in the City of *Tours*, they weighed a Drachm or Gros, *i. e.* the eighth part of an ounce, and therefore were called Gros, and from being first coined at *Tours*, were called *Gros Tournois*.

' These

‘ These falls of the Coin had subsisted from the year 1295 to the year 1306. The coinage of the new, which was heavy, and which had subsisted but a short time, the circulating of the light Money, a grievance in which they were now involved, caused a terrible sedition at *Paris*. The people would needs pay with the light Money, not being able to procure the heavy without a considerable loss. The rich on their side exacted payments in heavy Money, and would have nothing to do with the light, knowing how much it would have been to their loss. The poor and commonalty being reduced to despair, and having no longer any thing to lose, threw off all respect to the sovereign. They pillaged the houses of *Stephen Barbette*, master of the Mint, who passed for the Author of that extortion.’

According to *Le Blanc*, says our Author, page 189 \*. The extortion consisted in obliging people to pay in heavy Money their debts which had been contracted in light Money ; or, to speak in ordinary stile, to oblige them to pay after the fall of the Coin the same quantity of Livres in tale, which had been contracted before. If *Philip* had left the Money in the lightness which it then had, so as the proportion and standard of it might have been ascertained, all had very soon been again restored to that order, which the passing of the light Coin had a little disturbed.

We find then, according to *Le Blanc*, that the extortion or injustice was to insist on paying only in light Money, and yet to exact payment in heavy Money ; so that the grievance did not consist in the heavy Money, which had been demanded with such pressing instances ; ’twas rather the light Money which every body was inclined to pay with, but no body inclined to receive. Nor could *Philip* any longer leave the Money in that lightness which it was come to, as our Author would have had him †, since he himself

\* Page 185 of the second edition.

† Page 189 of the first edition, and 185 of the second.

says \*, *That Prince was forced by the complaints and clamours of the people to turn it to heavy Money.* He had even engaged himself to it by Letters-Patent, says *Le Blanc* †, and Father *Daniel* ‡. We may say therefore what it is natural to think, that if *Philip*, when he returned to the heavy Money, had suppressed the currency of the light, or reduced it to a level with the heavy, there had been no sedition, and consequently that the revolt was owing to the light Money, and not to the heavy, or to the lowering the Coin which had been demanded with so much importunity.

The Author, whom I am answering, may be convinced of this truth by the very Authors he cites. He alledges || that *Mezeray* says in express terms, that the lowering of the Specie was the cause of the sedition; but in what place does *Mezeray* speak so? Is it in his large History, or in his Abridgment? This is what the Author does not tell us, but leaves us to seek out. I find in *Mezeray's* Abridgment the passage\*\* in question: But our Author would have no credit to be given to it, for he tells us very well, *that Mezeray speaks without examination, and like a compiler of facts*: And indeed, the article which he quotes, is but a bad extract of what we may read in the large History of that Historian ††. Of this the Reader will judge from the original, which runs thus. ‘In order to maintain the army, the King took down the current Coin to a third part under weight ‡‡. This *Italian* invention introduced such confusion among the merchants and

\* Page 185 of the first edition, and 182 of the second.

† Page 214, and Sequ.

‡ History of France, Vol. 3. p. 324. Holland edition in 4to.

|| Page 190 of the first edition, and 186 of the second.

\*\* Vol. III. p. 495 and 496, edition in 4to, Anno 1668.

†† Vol I. page 695. *Willimot's* edition.

‡‡ What we call base or light Money, and the *French Foible Monnoye* is, when any Species, Shillings for instance, are coined, that being of the common standard or alloy, are below the legal weight, or else being full weight, are so alloyed as to have less Silver than is required by the standard.

‘people, that there arose a sedition at *Paris*.’ The question there is not about the lowering of the Specie; on the contrary, the abating the weight of the Coin is the only thing that he is here speaking of, and it was this that occasioned the sedition, according to this passage of *Mezeray*, and not the heavy Money, or the lowering the Coin, as our Author alledges.

*F. Daniel*, upon whom he also relies, says in the passage quoted above \*, ‘The grievance which was occasioned by that light Money must needs have been very great, since in the year 1303, the Prelates of the Kingdom offered to the King two twentieth parts (that is a tenth) of the annual revenue of all their benefices, on condition that for the future, neither he nor his successors should circulate light Money, &c.’

According to *F. Daniel*, ’tis still the light Money that causes the disorder, and not at all the heavy: This Author clearly explains himself in the following 325th page of his History, where he says; ‘at last the King resolved to order a coinage of Money, as heavy as it was in the time of St. *Lewis*; but having coined that good Money, he continued the currency of the light, without reducing its value, so as to proportion it to the good Money, and this is what gave rise to the sedition.’

I grant that the facts reported by *F. Daniel* are to be found in *Le Blanc*, page 213 and 217. But I choose as soon, and perhaps sooner, to take them from *Le Blanc*, than from *F. Daniel*; our Author quotes them both, and cannot reject their testimony. *F. Daniel* leaves neither obscurity, nor ambiguity; he says in so many words that it was the light Money that caused the sedition: *Mezeray*, who to be sure did not follow *Le Blanc*, says so too: *M. de Boulainvilliers*, at the end of the sixth Letter upon Parliaments, is of the same opinion; ’tis therefore plain that it was not owing to the excessive lowering the Coin, of which our Author

\* Vol. III. page 324.

speaks in the 185th page of his Book, and he must needs allow that the very Authors whom he quotes upon this subject are against him.

To be short, the ground of the sedition, and the complaints of the people, were neither precisely owing to the heavy nor to the light Money, considered each in particular, but only from this, that there were two unequal values (*viz.* in weight and standard) to one Specie; which was exactly the same in denomination; the effect whereof was, that no body was willing to receive the light, nor pay upon the foot of the heavy Money. Whence it follows, *That two different rates ought never to be set upon one and the same Specie.*

The Author of the *Political Essay* is not for heavy Money; the light, according to him, is the more advantageous; for he says in page 194 \*, 'That if the enhancement of the Coin made any alteration in commerce, or occasioned a scarcity of Specie, we should at present have been both without commerce, and without Money, since the enhancement is from one to upwards of sixty, insomuch that it would require sixty *Sols* to pay the intrinsic value of one *Sol*, contracted in the time of *Charlemagne*.' And in page 237, No. 2. He says †, the result of his principles is, 'The numerical value of the Specie having been raised from one to more than sixty, without having impaired either trade or the *Finances*; it is a thing indifferent to either of them.'

According to *Le Blanc*, page 81. *The true Sols in time of Charlemagne were of fine Silver; and page 83, these Sols weighed 345 $\frac{3}{4}$  grains of Goldsmith's weight.* Upon this foot the mark of fine Silver being now fix'd at 51 *Livres*, 3 *Sols*, 3 *Deniers*, the *Sol* in the time of *Charlemagne* would therefore be worth 76 *Sols*, 6 *Deniers* of our current Money; and if we reckon upon the foot of our coined Silver, whose fineness is regulated

\* Page 190 of the second edition.

† Page 224 of the second edition.

by the standard at 10 *dot.* 21 *gr.* and which goes for 49 Livres, 16 Sols the mark; that of fine Silver must be worth 54 *l.* 19 *s.* and the *Sol* in the time of *Charlemagne* worth 81 *s.* 9 *d.* of the present Money. Thus the raising of the Specie is exactly from 1 to  $76\frac{1}{2}$ , or from 1 to  $81\frac{3}{4}$ : But because our Specie has been raised from 1 to  $76\frac{1}{2}$ , or to  $81\frac{3}{4}$ , does it follow, that 'if it 'made an alteration in our trade, or occasioned the 'scarcity of Specie, we should be at this day both 'without trade and without Money. To me it would seem that the most we can thence conclude, is a greater plenty of Gold and Silver, and that if all commodities had risen as the Specie, these commodities would at this day be  $76\frac{1}{2}$ , or  $81\frac{3}{4}$  times, higher rated than they were in the time of *Charlemagne*: But who can tell what our trade and our riches in Money would have been at this day, if they had not been interrupted and embarrassed by our various alterations of the Coin? \* For 'tis undeniable that those several variations of Money extremely disorder the trade of a State. It may therefore be said on the contrary, and with more reason, that were it not for those obstacles, our trade should always be superior to that of our neighbours; I mean that we should always have had the advantage over them, and that they should be in our debt, by the ballance of trade, as I hope to demonstrate in the sequel †.

We may add, that what passed under *Charlemagne* cannot be brought into a comparison with what passes at this day, not only upon account of the distance of time, but also by reason of the wide difference there is between that age and the present, in manners, government and increase of people, &c. Besides, so great revolutions have happened, that what passed under *Charlemagne* is of little more concern to us than what passed under *Trajan* and *Constantine*.

\* See hereafter Chap III. art. 4. of the recapitulation; and art. 6. *Anno* 1727.

† Chap. III. article 6. *Anno* 1727.

ARTICLE III.

Wherein we examine, whether in the present situation our Money draws in that of Lorain, or if that of Lorain draws in ours.

IN the 197th page \* our Author delivers himself thus: 'The Coins of *Lorain* are at present of the same standard and denomination with ours, but a sixth part lighter. The question is, whether ours draw in those, or if those draw in ours?'

There is no Gold Coin now current in *Lorain*, that is lighter than ours †, nor has there been any such since 1726. On the contrary, the gold *Leopolds*, coined by virtue of his Highness's edict in the month of *August* 1725, being at the rate of  $21\frac{1}{3}$  in the *Mark*, are heavier than our present *Lewis* at 30 in the mark; but there are silver *Leopolds*, 12 in the mark, coined by virtue of the Prince's edict in the month of *May* 1724, which are consequently near one half lighter than our present *Crowns*, whereof  $8\frac{1}{6}$  are in the mark.

According to the *Arrêt* of his Highness's Council, dated *February* 15, and that of *May* 5, 1726, those gold *Leopolds* were worth 32 *Livres* in *Lorain*; our old and new *Lewidores*, at 30 in the mark, go for 23 *Livres*, 2 *Sols*, 6 *Deniers*. The silver *Leopolds*, at 12 in the mark, for 4 *Livres*; and our *Crowns*, at  $8\frac{1}{6}$  in the mark, for 5 *Livres*, 16 *Sols*, 6 *Deniers*.

These Species were raised by an *Arrêt* of his Highness's Council *May* 30, 1726, viz.

\* Page 192 of the second edition.

† Viz. in the year 1735.

	<i>l.</i>	<i>s.</i>	<i>d.</i>
<i>The gold Leopolds 21 <math>\frac{1}{4}</math> in the mark to }</i>	40	00	0
<i>40 Livres,</i>			
<i>Our Lewis d'Ors of 30 in the mark to—</i>	28	18	1
<i>The silver Leopolds of 12 in the mark to—</i>	5	00	0
<i>And our Crowns of 8 <math>\frac{1}{6}</math> in the mark to—</i>	7	4	4

Those gold Leopolds of 21  $\frac{1}{4}$  in the mark, as well as those of silver at 12 in the mark, did not long subsist. In *Lorain* there are now none to be seen in commerce, but Leopolds and Lewidores, }  
 30 in the mark, fix'd by the said *Arrêt* }  
 of May 30, 1726, at — }

*Leopolds and Lewidores of 25 in the mark at — —* } 34 13 9

*Leopolds and Lewidores of 20 in the mark at — —* } 43 7 2

*Leopolds and Crowns of Silver, where- of 9 in the mark at — —* } 6 13 4

*Leopolds and Crowns of Silver, where- of 8 in the mark at — —* } 7 10 0

*Ditto of 10 in the mark at — —* } 6 00 0

*And our Crowns, whereof 8  $\frac{1}{6}$  go to the Mark at — —* } 7 4 4

There are no other Species in *Lorain* but the above-mentioned, they are all of the same weight and same standard with ours; accordingly they are valued at the same rate: There are therefore none of them lighter as our author advances.

The Species of *Lorain*, whether of Gold or Silver, have no other value there at present (1735) than that which is given them by the *Arrêt* of May 30, 1726: But those of *France* pass there in trade for somewhat more, viz.

	<i>l.</i>	<i>s.</i>	<i>d.</i>
<i>Our old Lewidores of 20 in the mark for</i>	45	00	0
<i>Those of 25 in the mark for —</i>	35	00	0
			<i>Those</i>



	<i>l.</i>	<i>s.</i>	<i>d.</i>
The old ones of 30 in the mark for	30	00	0
The new ones which are worth 24 <i>Li-</i>	31	00	0
<i>ures</i> at Paris, for			
Our old Crowns of 9 in the mark for	6	13	4
Those of 10 in the mark for	6	00	0
And those now current, at $8\frac{3}{4}$ in the	7	15	0
mark, for			

This is exactly the state of the Coins in *Lorain* this present month of *May* 1735. This state has always been the same since *May* 1726. It remains that we examine which of those two Species drains the other.

The solution of this question, as to a *Frenchman*, depends upon knowing what product shall arise to him, after he has bought commodities in *Lorain* with our old and new Species, and sold these commodities at *Paris* or in *France*: And with regard to the *Lorainer*, on the purchase he can make of our goods with his gold Leopolds, which are received no where in *France* but in the Mints, at the rate of 678 *Livres* 15 *Sols* the mark, and on the returns he makes by the sale of those goods in *Lorain*. We shall examine what would be the profit or loss for either of them, in exchanging Species for Species; and it will appear that the favour which *Lorain* gives to ours must needs be against herself.

For proof of it, I suppose that *James* carries into *Lorain* 100 of our *Lewidores*; there they are worth 31 *Livres* a-piece: Consequently he will there receive 3100 *Livres* of *Lorain* Money in  $107\frac{1}{4}$  gold Leopolds, at 28 *Livres* 18 *Sols* 1 *Denier* each. Now these gold Leopolds being of the same standard and weight with our *Lewidores*, are in reality worth  $107\frac{1}{4}$  of our *Lewis*: 'Tis therefore plain that *James* gains  $7\frac{1}{4}$  *Lewis* per cent. This is the gain which may be made there by one who can find a way to have these Leopolds re-coined into *Lewidores*. But if *James*, has no other way of putting off those Leopolds but by carrying them to the Mints of *France*, where they are only re-

ceived by the mark, at the rate of 678 Livres 15 Sols, those 107½ Leopolds, supposed to be of just weight, making only 3½ Marks, he will there receive

l. 2427

Whereof his hundred Lewidores were }  
worth to him } l. 2400

Thus almost the whole of *James's* profit would fall into the hands of the Mint, and would be reduced by this way of doing to 27 Livres upon 2400 Livres; that is, 1¼ per cent. a profit neither worth the risks nor the charges of transportation.

If, on the contrary, *Peter* comes from *Lorain* into *France* with 100 gold Leopolds, by recoinning them into Lewidores, he will make of them only a hundred Lewis, which in *Lorain* will yield him 6½ per cent. of profit: But if *Peter* carries his 100 gold Leopolds to the Mints, he will there receive 2262 Livres 10 Sols in 94½ Lewidores, at 24 Livres each: Now these Lewis being of the same standard and weight with the Leopolds, 'tis plain that *Peter* really loses 5½ in the hundred: There is therefore nothing but evident loss arises from this traffick. The only profit to be made by it is for one who should recoin the gold Leopolds into *French* Lewidores, and that because *Lorain* makes her gold Leopolds go only for 28 Livres 18 Sols 1 Denier a-piece, and our Lewidores, which are no more in intrinsic value, for 31 Livres a-piece, 'tis this disproportion that occasions the disorder.

As for the old Species, I suppose *James* carries into *Lorain* 150 of our old Lewidores, whereof 30 in the mark, which are there worth 30 Livres a-piece. He will therefore receive there 155½ gold Leopolds, like with 30 in the mark, but current for 287. 18 s. 1 d. each, which Leopolds being of the same standard and weight with our Lewis, are really worth 155½ Lewis. 'Tis therefore plain that *James* gains 5½ Lewis upon 150, that is 3½ per cent. But if *James* carries his 155½ gold Leopolds to the Mints of *France*, supposing them

them to be full weight, they make	}	l.	s.	d.
5 $\frac{1}{4}$ marks, which at the rate of 678		35	20	9
Livres 15 Sols each, make				0

Our 150 Lewis made only 5	}	3393	15	0
marks, and				

Consequently *James* gains

126 l. 14 s. upon	—	3393	15	0
-------------------	---	------	----	---

that is  $3\frac{7}{8}$  per cent.; Thus there is some profit in exchanging our old Lewidores for gold Leopolds. This profit arises from the disproportion that is in *Lorain* between the value of the old Lewis and the Leopold, and from that which is in *France*, between the value of the old Lewis and that of the new one.

There is therefore nothing but loss by importing gold Leopolds from *Lorain* into *France*; and there is on the contrary, profit to be made by carrying old and new Lewidores into *Lorain*, and bringing back Leopolds upon supposition that they are recoined, and sold at what they are really worth, in proportion to our Money.

Whence it follows, that the favour which *Lorain* allows our Species, in making them pass for more than they are really worth, in proportion to those of the country, is not to her advantage, since the  $7\frac{1}{8}$  per cent. may occasion her Gold to be exported. This is the answer I had to make to the question put by the Author of the *Political Essay upon Commerce*, in the 197th page of his Book.

## ARTICLE IV.

*Wherein we examine, whether the preservation of the State in 1709, was owing to the raising of the Money.*

**I**N 1709, says the Author of the *Political Essay upon Commerce*, page 202 \*, ‘The Coins were raised a

\* Page 196 of the second Edition.

‘ fourth, by a general recoinage. By this two ends  
 ‘ were chiefly designed to be served. *First*, the King’s  
 ‘ profit arising from the high duty of Seigniorage \* :  
 ‘ The other the extinction of the Money Bills, which  
 ‘ from being for some time the support of the revenue,  
 ‘ were turned to its prejudice by the imprudent use that  
 ‘ was made of them.’

After these words, the Author thus goes on: ‘ This  
 ‘ raising the Coin proved the safety of the State, not  
 ‘ so much for these two reasons as for a third, which  
 ‘ was not foreseen; namely, that by this enhance-  
 ‘ ment, the Bankers and Undertakers were enabled  
 ‘ to clear their accounts with one another, because  
 ‘ the King paid his most pressing debts; and by the  
 ‘ same means the tax became less burdensome, because  
 ‘ the price of commodities was heightened.’

I hope to make it appear, that it was by no means  
 the raising of the Coin that enabled the King to pay  
 his most pressing debts, nor the Bankers and Under-  
 takers to clear accounts with one another, and that it  
 was the very reverse of proving a means to save the  
 State.

In fact, the raising the Coin, the new rents that  
 were granted on the Town-house, the augmentations of  
 salaries that were assigned to different officers, and with  
 whom private treaties were made; the other ordinary  
 expedients of the Finances, which were relied upon at  
 first, would all have been but a weak resource, if by  
 an unexpected good luck the ships which had been in  
 the South-sea, had not arrived in the ports of *France*.  
 The late M. *Desmarets*, then Comptroller General of  
 the Finances, informs us in the memoirs which he has  
 given of his administration, *page 13*. *That they had*  
*aboard more than thirty millions in gold and silver bullion;*

\* The King’s duty upon coinage, which is 7 Livres 10 Sols on  
 each mark of Lewidores, and 12 Sols 12 Deniers upon each mark  
 of Silver.

\* Page 196 of the second edition.

a proposal was made to the owners, says that Minister, to carry all that bullion to the Mints, and to lend the one half thereof to the King, for which they had assignments given them upon the general receipts, and interest at ten per cent. The other half was paid to them in ready money for payment of the seamen belonging to the ships, &c.

The Money Bills which were still subsisting, occasioned a great disorder in trade; in order to extinguish them, it was thought proper to take advantage of the bullion, which the return of those ships made so plentiful in the Mints, to set about a general recoinage, and coin new Species. By an edict dated *May* 1709, register'd the 14th, and published the 18th, the Lewidores of 32 in the mark, struck by virtue of an edict in *April* preceding, register'd the 22d, were ordered to pass for 20 Livres instead of 16 Livres 10 Sols, and the Crowns at 8 in the mark for 5 Livres, instead of 4 Livres 8 Sols.

This to be sure is that raising of the Coin to a fourth part, whereof the Author takes notice \*. It extends, as we see, only to the Lewidores of 32 in the mark, and to the Crowns of eight in the mark, coined by virtue of the edict in the month of *April*. This enhancement besides changed the proportion between the Species from fifteen, as it then stood, to sixteen, because when the Lewidore was rated at 20 Livres, the Crown ought to have gone for 5 Livres 6 Sols 8 Deniers, in order to keep the same proportion which was between them before they were thus raised: Or else rating the Crown at 5 Livres, the Lewidore ought to have passed only for 18 Livres 15 Sols. The disorder occasioned by this rise, would have had bad effects, if it had not been remedied by another recoinage, ordered by the edict of the month of *May* 1709.

The Lewidores, ordered to be coined by this edict of *May*, are at the rate of 30 in the mark: They passed for 20 Livres a-piece, and the Crowns of 8 in the

\* Page 202 of the first edition, and 196 of the second.

mark, for 5 Livres. These Lewidores are heavier than those of 32 in the mark, and yet they are of no higher current value; which lowered the Gold, and thereby restored the proportion of 15 to 1 between this new-coin'd Gold and Silver.

Before this raising the Coin, the King had no Money in his coffers; of this the Minister himself informs us in the 12th page of his memoirs, in these terms. *The rigid winter-season, the scarcity of grain, caused Money to be kept up more than ever: In the mean time there was a necessity of providing for the charges of the war, &c. In such a melancholy situation, the liberty was taken away of choosing means that might have effectually and speedily produced Money for defraying the expences.* According to what this Minister says, it is manifest that the King had no Money in his coffers, at the time of this raising the Coin: It was in order to raise Money that he had recourse to the expedients of the Finances, which he depended upon before the arrival of the Ships. Now if the King had no Money at the time of this raising the Specie, how is it possible that His Majesty was thereby enabled to discharge his most pressing debts, and how could it prove a mean of saving the State, as our Author says? I can easily apprehend how it could contribute somewhat to raise the price of commodities, and then make it easier for the people to pay, and consequently for the Collectors to levy the taxes. I grant also that it furnished Merchants, who were burdened with Money-Bills, and who had Bonds, with the means of passing them fully. Notwithstanding all these, it is certain, that the King and the Publick lost more thereby in the issue, as we hope plainly to demonstrate hereafter \*; and that it was not this raising the Coin that enabled the King to discharge his more pressing debts, to call in from the publick to the value of forty-three millions of Money-Bills, and other paper securities,

\* Article 7 of this chapter, Application 1, 2, and 3.

and to restore the circulation of Species \*. For this enhancement of the Coin extending only to the Species that were coined, by virtue of the Edict in *April*; and that coinage having been interrupted by the other in the month of *May* following, 'tis evident that there was but very little Specie coined, in consequence of that Edict in *April*; and consequently that the rise, of which the Author of the *Political Essay* vaunts so much, having extended only to a few pieces, could never produce the good effects which he attributes to it, and far less be the preservation of the State. These good effects therefore can in reason be ascribed to nothing but to the 15 Millions advanced by the owners of the rich ships we have been speaking of, and to the profits that arose to the King from the coinage; which, according to the confession made by the Minister himself †, produced an actual fund of 11,370,773 Livres of ready Money, besides the forty three millions of Money-Bills that were taken up from the Publick.

This recoinage in *May* 1709, was the more considerable, as the bearers of the Money-Bills were laid under a necessity of endeavouring to procure five times as much Specie or Bullion as they had of those Bills, because one sixth thereof was received in the Mints, with five sixths of Specie or Bullion.

These two single articles amount in the first place to 26,370,773 Livres in Specie; and if to this sum we add the products of the new settlement of rents upon the city, that of the additional salaries assigned to different officers, the sums advanced by the Farmers, Collectors, and others, who lent their Money and their credit ‡; and in fine, the daily receipt of the King's revenues, which, notwithstanding the pretended facility gained by this raising the Coin, which is now in question, produced this year only 38,162,827 Livres \*\*, we

\* M. Desmarest, page 15.

† Page 18 and 19 of his memorial.

‡ Memoirs of M. Desmarest, Page 18.

\*\* Idem, page 17.

shall have a sum total with which his Majesty paid his most pressing debts, re-established publick faith, credit, and the circulation of Specie: 'Tis to this we are to ascribe the preservation of the State, and not to the raising of the Coin, whereby the King could only facilitate a little the collecting of his revenues, which notwithstanding thereof, were very low this year, as we have now seen; for at the time of raising the Coin his Majesty's coffers were quite drained.

To be still more convinced of what I say, let us hear the Minister himself; to this purpose he speaks, *page 18. And to speak more accurately, the armies and state were preserved by a sort of miracle in 1709, by means of the sums advanced by the Farmers, Collectors, and others, who lent their Money and their credit.*

Not a word there of any benefit got from the raising of the Coin: If the King had gained any thing by it the Minister could not but know, and to be sure would have mentioned it: He says indeed in the same place, that the coinage of the Money produced an actual fund of eleven millions, three hundred and seventy thousand, seven hundred and seventy three Livres: But this coinage of the Money is a quite different thing from the raising the Coin; thus since the Minister takes no notice of any benefit arising from the raising of the Coin, I conclude that there was none, and consequently that this rise could not be the mean of preserving the State, as the Author of the *Political Essay upon Commerce* will have it; on the contrary, we shall see afterwards \* that it was a grievance to it.

\* Chapter III. article 2.



## ARTICLE V.

*Wherein we enquire, whether the Bankruptcies, in 1714 and the following years, were owing to the lowering of the Coin.*

THE Author of the *Political Essay upon Commerce* says in the 203d page \*, ' That at the peace the first step taken, was to lower the Specie, without any regard to the King's debt. Let us suppose (says he) it amounted to an hundred and fifty millions a year, at forty Livres the mark, that is three hundred and fifty thousand marks, to be paid yearly †. When the Mark was brought down to thirty Livres, the debt encreased fifty thousand marks a year ‖. It brought likewise on so much misery, and such a decay of credit that we have no examples of more bankruptcies than were in the years 1714, 1715, and 1716.'

I don't deny but those falls of the Coin were attended with unhappy consequences; or once more, I give it as my opinion, that sound politicks do not allow the value of Money, once well established, to be touched: But to shew, that it was not the lowering of the Specie that was the chief cause of the misery, the loss of credit and bankruptcies, mentioned by the Author of the *Political Essay upon Commerce*; let us now look back upon the situation of the Finances of the State at the death of Lewis XIV, there we shall find springs of all these miseries much nearer hand. This is all that I undertake to shew in this article.

\* Page 197 of the second edition.

† 150 millions at 40 Livres the mark, make 3 millions, 750 thousand marks.

‖ It encreased one million, two hundred and fifty thousand marks; for 150 millions, at 30 Livres the mark, make 5 millions of marks, which exceed three millions 750 thousand marks, by 1,250,000 marks. Thus the Author's calculation is either not just, or I don't understand him.

## *STATE of the FINANCES at the Death of LEWIS XIV.*

**W**E all know in what a terrible disorder the Finances were at the death of *Lewis XIV*, or at the beginning of the regency; and that the manner, in which they had been managed from the year 1683, had perhaps brought as much mischief upon the State, as the immense charges of the two last wars. Nothing was considered but to raise Money from the people, without any regard to the damage done thereby to the estates, trade and industry of the subjects. This conduct produced effects, which to be sure were not expected: It gave Money, which they were so much set upon, a dangerous value, whereby they, who thirsted after it, were disappointed in their aim, and it sunk the advantageous value of estates, trade and industry, which would have been a perpetual fund of Money\*.

The King's whole riches consist in his people; here his real treasure lies: But this treasure is very soon exhausted, unless perpetual care be taken to procure them the means of supplying it, by encouraging trade and consumption, and by curbing Usurers and the Farmers of the revenues; for 'tis by trade and consumption that the people are supplied with the means of paying. If either, or both of them decay, their means of paying must decay also in the same proportion. Hence, every way of managing the Finances, which hurts trade, is so far pernicious, it produces the same disorder in the State, as the conduct of one who lives upon his capital produces in his estate.

Had these incontestable principles been followed, they would have produced that circulation which the situation of affairs required, and which publick credit alone was able to bring about. But methods were taken

\* See hereafter article 6.

diametrically opposite: No resource was sought but from the *Gens \* d'affaires*, and from the alterations of our Coin. Thereby the ministry made themselves in some sort dependant upon these same *Gens d'affaires*, who finding how great need there was of their costly assistance, governed both Ministers and the revenue. The sums which they advanced to the King, frequently out of his Majesty's own Money, and for which they got very high interest, the settlement of rents and offices of every kind, whose salaries, privileges and immunities, still impaired the King's revenues, contributed not a little to promote the grievances which the Author speaks of, and to form that enormous debt with which the State was oppress'd at the beginning of the Regency.

The Money-Bills would have prov'd an effectual resource, and a salutary credit, had it not been that a little time after they came up †, an interest was annexed, which made them lose credit ‡. A man, who is observed to carry on a trade which is against his own interest, very soon loses credit with the publick: If he pursues one which is advantageous to him, he is sure to preserve it. These Bills were only used in payments; the King received none of them; on the contrary he gave orders not to take them in payment of his duty §. This was not the way to bring them into credit: At the same time he ordered that they should be received by private persons in their dealings with one another, even in payment of letters and bills of exchange; thus no advantageous use was made of them. And yet, notwithstanding all this, the confidence which people had

\* The Farmers of the revenues, Bankers, Undertakers, and the like, go under that general name: We choose to keep the term, because we know none equivalent to it in *English*.

† They were made by virtue of an Act of Council September 19, 1701.

‡ The declaration of the 6th of October 1704, fixes it at  $7\frac{1}{2}$  per cent.

§ The same declaration.

in them at first, enabled the King to pay off a part of the charges of the war \*, though the high interest which they bore, and the prohibition to receive them in the payment of the King's revenue, might have made any one foresee the impossibility of supporting their credit. In fine, it was found necessary at length to suppress and destroy this credit. These Bills were turn'd into rents; one sixth of them was received with five sixths of old Specie, and uncoined gold and silver bullion in the mints, at the time of the general recoinage in 1709, which was thought a good means to remedy the mischief which those Bills had produced in trade †.

For that effect, the new Money was debased, by raising its numerical value, to such a degree, that between the price which was set upon it, and that of the old Money, there was a disproportion of twenty-three *per cent* ‡. This disproportion soon excited the glaring avarice of our neighbours, by inviting them to pick up for transportation those old Species, to get them re-coined into new ones, and then return them to us; which put *France* upon very unequal terms with foreigners, even abstracting from that immoderate profit arising from the disproportion between the old and the new Coin, which fell into their hands, to the prejudice of the King and the publick.

The late M. *Desmarets* tells us, page 17 of his memoirs, that the unhappy situation the Kingdom was in during the year 1709, is not likely to be easily defaced from the memory of men. The orders drawn for the expences of this year amount to two hundred twenty-one millions, an hundred and ten thousand; five hundred and forty-seven *Livres*. The ordinary revenues produced only thirty-eight millions, an hundred and sixty-two thousand, eight hundred and twenty-seven *Livres*.

\* So says the King in his declaration May 29, 1706.

† Memoirs of the late M. *Desmarets*, p. 14.

‡ See below, Chap. III. article 2.

The expedient of borrowing Money by what is called *la caisse des emprunts* \* was revived, and for that Money an interest was allowed which the government was unable to pay †. The less these bills and paper securities sold for in the market, the more were found necessary to be drawn; to raise the sums for which there was so much occasion; and this course was taken without perceiving that the multiplying those bills was a weakening of the demand for them, by increasing distrust; and thus all the advantage was lost that might have been drawn from this credit, had it been well managed and conducted:

A multitude of other bills were created; such as bills upon the Receivers General, bills upon the Marine or Admiralty, bills of assignment upon particular Revenues of the Crown, and bills to excuse persons from quartering soldiers, in consideration of a sum of Money paid. The Bank-bills of *le Gendre* introduced in the beginning of 1710, gained credit for some time. The Minister of the Finances ‡ says, ‘ that they supplied the necessary charges of the State, from the first of *January* 1710, to the month of *April* 1715, and that the efforts which were found necessary to be used; for making good the funds promised; and which were delivered at the end of *March* 1715, at a time when Money began to be very much hoarded up, were the causes why the credit of that Bank fell to the ground; so that there was no possibility of

\* The chest of Loans, where all had access; strangers as well as natives of *France*, to lend out their Money to advantage for the service of the Government: Bills were given for the particular sums received by the General-Farmers of the revenue: These bills were payable in a year, with large interest; at which term it was optional for the creditors to renew their bills, or withdraw their capital. The first institution was in *October* 1673, to support *Louis XIV.* in carrying on the war wherein he was then engaged.

† The interest was reduced in 1710 to 6 per cent; but before that time had been at 10 per cent.

‡ *M. Desmarets*, p. 466. under the years 1714 and 1715.

raising it again in the space of those four months which elapsed till the King's death \*.

The *Royal tenth* was set on foot, which at first gave great hopes; but its highest product did not exceed twenty-four millions †. They had next recourse to the Bankers, with vast promises, which there was no possibility of executing.

In *October 1713* the annuities on the *Town-House* were converted into new contracts at 4 *per cent.* ‡ such as had been obtained in Money-bills \*\*, since *April 1706*, were reduced to three fifths; to which were added the two years of arrears ††. In fine, it may be said that that whole period of time was spent in seeking credit without finding it; in coming under engagements, which were never fulfilled; and in drawing bills, whose credit was suffered to sink. On the other side, the changes of the Money, to which the Ministers too often had recourse, contributed further to ruin credit, and especially *the high price of Money had done more prejudice to the Kingdom*, says the King in the preamble to the famous Arrêt of his Council, *May 21, 1720, than all the expences to which the late King had been obliged, during the course of the several wars.* These expressions of his Majesty are the result of the examination that was made by his Council of State, into the situation to which the Kingdom was reduced, before the establishment of the Bank, compared with the State it was found to be in at the time of that Arrêt; the preamble to which

\* This date falls at the end of *April*, for the King died the 1st of *September*, four months after.

† A Duty to the King on Mines.

‡ Memorial of M. *Desmaretz*, page 25.

|| That is, they were reduced from 5 to 4 *per cent.*

\*\* These bills were first introduced in the year 1700, when, upon a recoinage, the new Specie could not be coined so fast as to pay all the ready Money that was brought into the Mints, the Directors gave their private bills to supply the deficiency of the new Coin; these bills became afterwards State debts, and in 1703 their interest was fixed at 8 *per cent.*

†† Memorial of M. *Desmaretz*, page 40.

presents

presents us with a very lively picture of the unhappy situation the Kingdom was in at his accession to the Crown.

And by the declaration of the 5th of June 1725, for levying the *Fifties*, His Majesty delivers himself thus: *The inevitable charges of a long series of wars, and the frequency of raising the Specie, and then of lowering it by slow degrees when people were warned before-hand that the thing was to happen, had so exhausted the revenue at the time of our accession to the Crown, that besides the excessive multiplication of annuities granted upon all the different branches thereof; the payments of which were suffered to run in arrears, there were considerable sums owing to all the articles of our necessary expences, and the revenues of the State were eaten up before-hand for several years by anticipated assignments.*

The lowering of our Specie eleven times successively, from the first of December 1713, the date of the first, until the first of September 1715, the date of the last, whereby the Mark of coined Gold was reduced from 600 to 420 Livres, and that of Silver from 40 to 28 Livres, were partly the cause of the failure of circulation, and in that respect did almost as much mischief as the enhancements of the Coin, which his Majesty speaks of. They brought our trade, during the whole time of their passing, which was very long, under a continual disadvantage with *England* and *Holland*, as we shall see afterwards, Chapter III. Foreigners, to whom we had contracted debt in light Money, were repaid in heavy Money: Thus we may say, that these measures were as advantageous to Foreigners, as they were destructive to *France*.

The principal cause of the failure of circulation sprung from the decrease of the King's revenues, together with the encrease of his expences\*: He paid neither the Finances nor the Merchants, from whom he had bor-

\* See below, Chap. II. article 5. The comparisons of the revenues and charges in 1683, with the revenues and charges in 1715.

rowed considerable sums; he granted them Letters of License against their Creditors: Another disorder which also disturbed and introduced great confusion into commerce, where little or no Money was now to be seen. Credit, which supplies the place of ready Money, was quite vanished; Trade was dwindled away to nothing, not the half of the usual consumption, the lands were left to lie uncultivated, Artists went into foreign Countries. In fine, the country was depopulated, the peasant ill fed, and as ill clothed. Thus the King being unable to pay his debts, those to whom his Majesty owed were incapacitated to pay theirs: And therefore, though there had even been no lowering of the Money, bankruptcies would necessarily have happened, by the failure of circulation and credit.

The Nobility were not better used: Ruined as they were by taxes, and by the charges of the war, having little or nothing from the King either by way of pensions or salaries, they were quite ruined by their Creditors. Expensive processess, distresses, sales of moveables, completed the ruin of all the subjects. The subjects were involved in debt on the one hand, and the King on the other. Lands and Houses were seized by adjudication. The sequestered estates produced to the Creditors one half less than the ordinary rent. The proprietors had only 18 or 20 years purchase for their lands, which they sold to the Farmers of the revenues. Inasmuch that numbers of Creditors lost a part of their just debts.

The judges and officers of the Court of Justice, not having their salaries paid them, were also burdened with debt. The most moderate Usurers commonly had between 12 and 15 *per cent.* of interest upon their Money. Nothing bore a price. No publick trust, and as little hope of seeing an end of this confusion. A common and mutual distrust induced those who had Money, to hoard it up, not daring to lay it out in any gainful Way. The Farmers made bad payment, because Money



Money was scarce, and consequently dear; and commodities too low.

This unjust preference, which common and mutual distrust gave to Money above the estates, the trade and industry of the Kingdom, was the undoing of the State: For the good or bad effects of Money upon the exchange of our goods, arts and manufactures, are always in proportion to the value of the real goods of a State, and to the value of the Specie that circulates in that State: And as the connection between those two values is very great, the loss that State sustains is likewise very great, when the Money in it does not circulate. This important principle shall be explained in the series of these remarks\*.

The King's effects, and those of private persons, lost their price universally; the contracts upon the city fell more than fifty *per cent.* the Utensil bills † 80, and even 90 *per cent.*

Here, for example, is a fact which will appear incredible to posterity. The late King, a little before his Death, in order to raise eight millions of ready Money, for which he had a pressing demand, was obliged to make use of the credit of a private gentleman and his associates, and to negotiate publicly † with Foreigners for thirty-two millions of bills or assignments. This was not borrowing at four *per cent.* interest, it was to give 400 in bonds, to have 100 in Money: Consequently Money was four times dearer or scarcer than those effects.

After such procedure, 'tis not surprising that the King's revenues were consumed for three or four

\* Article 6.

† *Sur la place*, upon the place, which answers to our Change-Alley.

‡ The Bills mentioned above for exempting persons from quartering soldiers, &c. called Utensil-bills, from the utensils or moveables which the Soldier is allowed besides lodging, viz. a bed and bed-cloaths, a pot, a Glass, and a Porringer.

years, and mortgaged to Collectors, Farmers, and other Creditors; or that such a conduct distress'd the subjects in their estates and persons, by mutual debts, which held them as it were in chains. Nor is it difficult to apprehend that so many obstacles must have brought estates, trade and industry, to a very low pass; so that it is obvious to see the reason why the late King left the State oppress'd with prodigious debts, and the Finances in so terrible a disorder. The State was actually upon the brink of being irrecoverably ruined: Such are the fatal effects of the loss of credit and circulation,

Such was the unhappy situation of the Kingdom, when the Duke of *Orleans* was vested with the Regency. All the disorders which we have now seen, shew us what was the object of his activity, and what the difficulties which he had to surmount. It was impossible to remedy such great evils, without some particulars suffering thereby. The difficulty of paying such vast debts as those with which the publick was affected, was the occasion of proposing that first advice to the Regent, to cancel them all at once. The Kingdom being ruined, said they to him, there is a necessity of sacrificing one part thereof to save the other. It was urged that the Creditors of the State, which was the part they were for sacrificing, bore less proportion to the part that was to be preserved, than 1 to 600, and consequently the greater number claimed the preference.

A second advice was given him, to order a *general review* to be taken of all the publick debts, in order to relieve the nation by their reduction.

And lastly, as a third advice, he was told there was a necessity of erecting a *Chamber of Justice*, which by making an accurate scrutiny into the conduct of the people who had been concerned in the management of the Finances, would produce, said they, as much as would extinguish seven or eight millions of debts.

## V I S A of 1715.

The Regent rejected the proposals for cancelling all the publick debts, which would have brought eternal infamy upon the King and State. But by the declaration of *December 7, 1715*, he ordered to be erected in the old Louvre, an office for reviewing the bills given for Money lent to the Government \*, le Gendres bills, bills given upon the fund for defraying the extraordinary charges of the war, those upon the navy, upon the artillery, and others. No less than four fifths were retrenched upon certain parts of those effects : The part retain'd was exchanged for bills called *State Bills* †.

The King himself in the preamble to this declaration, represents to us the uneasy situation which the kingdom was in : His words are these,

‘ Upon our accession to the Crown there were no  
 ‘ sums of Money, neither in the Royal Treasury,  
 ‘ nor the hands of our Receivers General, to answer  
 ‘ our most pressing demands : And we found our  
 ‘ Crown-lands alienated, the revenues of the State al-  
 ‘ most reduced to nothing by an infinity of charges  
 ‘ and annuities ; the ordinary taxes consumed before-  
 ‘ hand ; arrears of every kind accumulated for several  
 ‘ years ; the course of the *receipts* diverted from their  
 ‘ original design ; a multitude of bills, of anticipated  
 ‘ warrants and assignments of so many different natures,  
 ‘ and which amount to sums so high, that there is  
 ‘ scarce a possibility of computing them. Though in-  
 ‘ volved in all these straits, we have rejected the pro-

\* We have before explained, page 33, the nature of the *Caisse des emprunts* ; the bills or notes given by the Farmers of the revenue for the particular sums raised by that *Caisse*, were called *Promesses de la caisse des emprunts*.

† After all the reductions of the publick debts there remained a sum of 250 millions, the payment of which the King took upon himself, whereas the Creditors before had only private securities from the Farmers, &c.

‘posal that was made us, of cancelling all those debts, which we ourselves had not contracted, &c.

And by the edict pass’d in March 1716, registered in parliament the 20th, a Chamber of Justice was erected, with the most formidable apparatus, with a design to rectify the disorders committed in the management of the Finances, and to give a check to such abuses, by a most severe scrutiny into the conduct of the managers.

By the review of the royal effects, and by the clearances thereof, that were then made, the debts of the late King, in principal or interests, were found to amount to *two thousand three hundred millions*, and yet the whole accounts were not stated.

In the first of September 1720, there was published a general state of the national debts at the death of Lewis XIV \*, whereby it appears that notwithstanding the reduction of more than 600 millions of different debts, to *two hundred and fifty millions* of State bills, bearing an annual interest of four *per cent.* there was still owing, including these same State Bills, *two thousand and sixty-two millions, a hundred and thirty-eight thousand and one Livres*, and interests at four *per cent.* to the sum of *four score and nine millions, nine hundred and eighty three thousand, four hundred and fifty-three livres.*

The *Visa* is a false and pernicious expedient, if by diminishing the quantity of publick effects it diminishes likewise their value; that is to say, if the effects remaining after the reduction, be of less value than they were before. Now this must necessarily be the case with all the *Visas* in the world, because their true character is to take down, to depreciate, and reduce the value of every thing that is submitted to them. Therefore the *Visas*, and all those sorts of inquisitions are contrary to true politics, and inconsistent with the publick good.

\* Printed by Coutelier in 4to.

*After this here, and after the reduction which was made thereby of more than six hundred millions, to two hundred and fifty, those 250 millions lost between 40 and 50 per cent. which at 40 per cent. made a real and circulating value of an hundred and fifty millions.*

l.

150,000,000

*Before this reduction the reducible effects lost 50 per cent. one with another, whereof there were 600 millions and upwards, which, to the Bearers Proprietors and to the State, formed a real value of three hundred circulating millions,*

300,000,000

*By consequence, the Bearers Proprietors, and the State lost a real value of an hundred and fifty millions; therefore this procedure impaired circulation and trade, at a time when it would have been necessary on the contrary to have encreased it, and when there was most need of it: The State therefore was poorer after this false step than it was before, by*

150,000,000

From which it follows, that this expedient was impolitical and inconsistent both with private and publick good.

As for the Chamber of Justice, it was an expedient whose success was morally impossible. We have no example where such a court of inquisition ever had any good effect to resettle affairs; at most it gives redress only to those who are persons of credit, or in favour, because they sell their protection dear. As for the King he never makes any thing by it. This dreadful tribunal, by spreading terror over all, could not possibly have produced any other effect than it did, even an universal decay of credit, and a diminution of consumption, and of one entire half of the revenues of the Kingdom. Thus such measures will always be as dishonourable to the ministry, as they are ruining to the publick. Besides, there is a manifest injustice, to attempt  
by

by an odious method, which exposes to all *Europe* the incapacity of the managers of the Finances, sinks the whole credit of the nation, and stops the circulation of Money, to attempt, I say, by such means to take back goods which were only acquired by consent, and in virtue of contracts made with the King himself. If any abuses had slipp'd in there, it was the part of a wise Minister to reform them, by causing the delinquents to be punished according to the rigour of the laws.

'Tis therefore manifest, that instead of redressing our grievances, these two expedients did but aggravate and encrease them. The King's revenues which daily diminished, trade, arts and industry, which sunk still lower and lower, give undeniable proofs thereof. Nothing flourished but usury; Money laid out this way brought in returns of 20, 25, nay 30 *per cent.* upon the best letters of exchange.

That common maxim came at length to be more strictly observed, *to equal the annual charge to the annual income.* It was a good maxim, but as little sufficient to settle affairs, as the reductions and additional taxes, which were so far from remedying the evil, that they augmented it. The King's revenue was found too low in proportion to the annual charges, insomuch that through defect of paying the interest of debts and other current charges, the credit of the State bills sunk to such a degree that they very soon fell 50 *per cent.* The contracts upon the Town-house lost still more, notwithstanding the reduction to a half of the new rents granted in 1714 and 1715.

The whole two years labour of the Council of *Finances* amounted therefore only to the constituting a *Visa*; to the retrenching the personal debts of the State; to the reduction of the annuities granted in 1714 and 1715 to a half; to the retrenching of a part of the pensions; to the raising of the Specie; to the establishment of a Chamber of Justice, which aggravated the publick misery, and cost more than it produced; and in

in fine, to the laying on taxes upon those who had enriched themselves at the expence of the King and publick \* ; all which only added to the decay of credit, and consequently of publick faith, and put a stop to circulation ; and those taxes were advantageous to none but particular favourites ; for they did not in the least diminish the King's debts.

The result of all these facts taken together, is, that if we enter into a consideration of what was thought proper to be done in the perplexed situation of the Finances, we shall see that it was not the lowering the Specie that was the sole cause of the misery, the loss of credit, and the bankruptcies which the Author speaks of. It was the deficiency of payment on the King's part, a deficiency which proceeded from a considerable diminution of his Majesty's revenues : And that diminution of his revenues was not owing to the lowering of the Specie, which did not take place till the first of December 1713. *But to the severe Winter in 1709, to the dearth of grain which caused Money to be hoarded up more than ever ;* says the minister himself, page 12. And in page 19, he adds that, *The barrenness of the year 1709, and the bad years which succeeded it, having occasioned a great decrease of the King's revenues, it was impossible to continue, as formerly, the payment of arrears ; nor was it even possible to pay more than six months in a year ; insomuch that there were owing two years, at the end of 1713.*

Farther, he says †, that Money did not begin to fail till the end of March or the beginning of April 1715 ; for his words are, *four months after the King's death.* Now in that time, of the eleven warrants issued out for lowering the Specie, nine were past : There were therefore none but two to come, one in the first of June, and the other, which should have been about the first of August, but was deferred till the first of September by

\* The Farmers of the revenues.

† Supra, page 79 and 80.

the Arret of *July 23*. Each of those falls of the Coin took down the Lewidore 10 Sols, and the Crown two Sols and an half.

After what we have seen, we ought not to ascribe to these lowerings of the Money alone, all the miseries which the Author speaks of, since the Minister himself imputes them \* to the deficiency of payment on the King's side, which proceeded from the considerable decrease of his revenues; and this decrease was owing to the hard winter in 1709, to the dearth of grain, which made Money be hoarded up more than ever, to the barrenness of that year, and of the other bad years that followed: and in fine, to the violent Methods to which there was a necessity of having recourse, in order to make good the promised funds, and which, as he says, were delivered at the end of *March* or the beginning of *April 1715*.

I am however persuaded, though the Minister does not say it, that these lowerings of the Specie brought our trade under continual disadvantages while they were passing, which lasted from *September 30, 1713*, when the warrants were issued out, to the first of *September 1715*, whereby they must needs have contributed to the scarcity of Money, and consequently to the undervaluing of commodities. But 'tis likewise true, that they were no sooner pass'd, than our trade recovered. We shall see afterwards in our third Chapter †, that it came to be upon a more advantageous foot from the months of *October, November and December 1715*, and at the beginning of *January 1716*, by six *per cent*, which evidently proves that those falls of the Coin had done a great deal of mischief while they were only passing. This must be allowed; but then this is not a reason for our imputing to them all those effects which the Author speaks of. We have seen, by the representation we have given of the state that our Finances

\* Page 12, 39 and 46 of the Memoirs of M. Desmarest.

† Article 3 and 4.



were in at the King's death, springs of all those calamities much nearer hand; and this is all that I intended to shew in this article.

In answer to the supposition which our Author makes in page 203\*, in order to demonstrate the loss which the King sustains, whenever there is a lowering of the Coin, we are to observe that if the King had what he owed in his coffers at the time of one or more falls of the Coin, they would be prejudicial to him, as the Author says. Those which happened in 1724, will furnish a proof of this when we come to the third Chapter†; but as in 1713, 1714, and 1715, his Majesty certainly had no Money in his coffers, if we may credit the Minister himself; as he receives always his revenues, his loans, &c. upon the foot, and according to the currency of the Specie, at the time of the receipt or loan; and, as he pays upon the same foot, it is evident that the lowering of Money occasions no loss to him. One inconveniency indeed he suffers by it, and that is a deficiency in the collecting of his revenues, which mairs circulation, and consequently commerce. Thus he sustains a consequential loss. Farther, in order to make those falls of the Coin less sensibly felt, the King left an interval of two Months between them, with a view to enable his subjects to avoid the loss, by employing their Money during those different intervals in ways that were most conducive to their interests or their trade: Thus every subject had all that time to look about him what was best to be done, and the Minister of the Finances had access to do so much more than any.

This design was good in itself; but I know not if the effect answered the intention, and whether it might not have been more for the interest of the State, to make but one lowering for all, without any previous declaration, than thus to do it successively, and by

\* Or 197 of the second edition.

† Article 5.

parts, and to continue it so long. I own that in this way it would have affected particular persons more: But they don't lose the less the other way, though it be at different times; and I am of opinion that the State would have sustained a smaller loss, because foreigners would have had less opportunity to take advantage of those fallings of the Money \*. It had been still more expedient not to have lower'd the Coin at all, for my principle is this: The MONEY OUGHT TO BE AS FIXED AND INVARIABLE AS WEIGHTS AND OTHER MEASURES.

## ARTICLE VI.

*Wherein we examine, how far it is true that the raising of the Coin, which was owing to the recoinage and reformation of the Money in consequence of the edict of December 1715, supported the Finances in 1716 and 1717.*

THE Author of the book, which is the subject of these remarks, says in *page 205*, and *page 198* of the second edition: 'That the first declaration of the Regency in the month of *November 1715*, was an assurance that there was to be no raising of the Specie; but the new Minister soon found out the error of coming to such a resolution; for in the next month an order was given for a recoinage at 40 Livres the mark, which was then only at 30. This rising of the Coin supported the Finances in 1716 and 1717, notwithstanding the publick credits being kept so low by the Chamber of Justice: It was at that time the bank was erected, which by multiplying the pledges of commerce, multiplied likewise circulation and consumption, so that we began to have a breathing time in 1718.'

\* See Chap. III. Article 4, at the end.

True it is, there was an assurance given by the arrest of council dated *October* 12, 1715, that the rate of the Species of Gold and Silver should continue fixed for ever and without any alteration, viz. the Lewidore at 14 Livres, and the Crown at 3 Livres 10 Sols.

Notwithstanding this assurance, the edict of *December* 1715, ordered a coinage of new gold and silver Specie, of the weight, standard and alloy, as they were settled by the edict of *May* 1709: The Lewidores at 20 Livres, and the Crowns at 5 Livres.

It was farther enacted, that for the remainder of the current month, and in *January*, *February* and *March* 1716, the Lewis and Crowns of 1709 should be carried to the Mints, to be reformed and turned into new Specie, without being melted down; and that those reformed Lewis should be current for 20 Livres, and the Crowns for 5 Livres, as those of the new coinage.

These Lewis of *May* 1709, to be reformed, were received in the Mints till the last of *March* 1716, for 16 Livres, and the Crowns for 4 Livres: And on the first of *April*, the Lewis was reduced to 14 Livres, and the Crowns to 3 Livres 10 Sols.

The 10th article of that edict ordered the Lewis and Crown to pass in commerce till the end of *January* 1716, the one for 16 Livres, and the other for 4 Livres, and during *February* and *March* only for 14 Livres, and for three Livres 10 Sols.

Here then we have at the same time a recoinage, reformation, and different rates to one and the same Specie; for those to be reformed were of the same weight and standard with those of the new coinage: Thus we were involved in the same disorder that prevailed in time of *Philip le Bel*, from a heavy Money and a light Money. Is it possible that such a disorder produced so good an effect as that of supporting the Finances in 1716 and 1717.

That reformation and new coinage of Specie were, properly speaking, a real enhancing of their current value: The one raised the Lewidore from 14 Livres  
to

to 16 Livres, and Crowns from 3 Livres 10 Sols to 4 Livres. The same Lewis reformed pass'd for 20 Livres, and the Crowns for 5 Livres, as those of the new coinage. In this situation I ask, what man, who understands ever so little his own interest, would be willing to give 20 Livres to receive only 14 for some, and 16 for others? or, which is the same thing, who will be such a fool as to carry to the Mint 100 Lewidores of 30 in the mark, at 14 Livres each, to receive only 70 in return, of the same weight and standard, at 20 *l.* each, and 80 of 20 Livres for 100 of 16 Livres? At most, there are none would do so but the Debtor, who is hard put to it for payment, and therefore forced to carry his Money to the Mint: But every body else would rather choose to keep his Money till more favourable occasions offered, or till the new Money were cried down; in order to gain that part of the Money which would have fallen to the King; or else he would transport it into foreign countries, where more is always given for it, and where it is sure to be returned upon us recoined into our own Specie. Thus 'tis a very great error in the affair of Money, to raise new Species of the same standard and same weight with the old ones; because this is to make it exceeding easy for foreigners to make the same profit by them that arises to the King, by recoinning the old Species into new ones. The King himself, by the arret of his Council; dated *August 1, 1716*, registered the 12th, says, 'that upon information that in some places persons had secretly drawn together the old Species, which they bought at a higher rate than they gave in the Mints; which could be done with no other intention but to reform them in a fraudulent way, or to transport them out of the kingdom, &c.' Let us likewise hear what *M. Bernard* says upon that head in his news from the republick of letters, *March 1704, page 346*. 'We must not think, says he, that *Lewis XIV.* has gained by all the reformation he has made of his Money for some time past: There has, perhaps, been as much of it reformed

reformed out of the kingdom, as in the Mints of France. With a single stroke of the hammer badly enough applied to a piece, you might have gained thirty or forty Sols and more.\* With that stroke of the hammer ill applied, you might have gained here 4 and 6 Livres, by recoinng those Lewidores of 1709, which were worth 14 and 16 Livres, and which after that stroke of the hammer passed for 20 Livres. This gain was much more considerable, than what M. Bernard speaks of. Which sufficiently demonstrates that such reformations are among those very pernicious measures, which ought always to be rejected. Accordingly their error is detected, but somewhat too late. There passed so many of our old Species into foreign countries, that by the declaration of August 29, 1716, 'Species new reformed were prohibited to be imported into the kingdom, in order to stop the counterfeit reformation which was carried on in foreign countries, and to put an end to that vast damage which our country thereby sustained: But the deficiency in weight and standard of many gold Specie falsely reformed, which were introduced, occasioning disorder, the rectifying whereof is a matter of consequence,' there was ordained by an edict, dated November 1716, registered the 18th, a recoinage in Gold in the Mint of Paris only, and that there should be coined new Lewidores of 20 in the mark, with license \* to the Master of the Mint to abate 20 grains per mark of the weight, and  $\frac{1}{12}$  of the standard, which Lewidores went for 30 Livres each.

According to the fourth article of this edict, the Lewis coined or reformed by virtue of the edict of December 1715, at 30 in the mark, are received in the Mints for 20 Livres. The sixth article orders that the

\* The King gives permission to the Master of the Mint to keep the Species somewhat below the established weight and standard: This abatement of the weight is called *Remede de poids* or simply *foiblage*, and the allowance for the additional alloy is called *Remede de loi*, or *Escharjeté*.

Lewis, whose reformation was in consequence of the edict of *December 1715*, be received for 16 Livres during the rest of the current month of *November* and all *December 1716*, and by the seventh article they are to be received on the first of *January 1717*, only at the rate of 472 Livres 10 Sols in the mark, as those that had been coined before.

This edict of *November 1716*, does not remedy the evil: It leaves us in the disorder, in which we were involved by that of *December 1715*, since the unreformed Lewidores of 1709, whereof 30 go to the mark, are thereby fixed at 16 Livres, and the Crown of 8 in the mark at 4 Livres, and the same Lewis reformed, at 20 Livres, and the Crowns at 5 Livres. There was therefore still 4 Livres of loss upon every Lewidore, to one who carried them to the Mint. The arret of *January 30, 1717*, registered the 3d of *February*, informs us also, *that the counterfeit reformation of our Species continued more and more in foreign countries.* Thus that disproportion in the numerical value of those Species, which were of the same weight and standard, leaves us still in the disorder of a light Money and a heavy Money, as it was under *Philip le Bel*: Nearly with this difference, that the disproportion was prodigiously higher under *Philip le Bel*, and must needs have produced worse consequences.

In these circumstances people chose much rather to hoard up their old Species till a more favourable opportunity offered, or to transport them to foreign countries, where *they were then received*, according to the first of those edicts \* *upon a more advantageous foot than in our Kingdom.* If Specie remains hoarded up, it is a stock that becomes useless to the publick, and even to the owners themselves; which disorders circulation, and consequently commerce. If it is exported out of the Kingdom, the profit arising from it to foreigners, is a

\* Page 4 of the edict of *December 1715*, and the arret of the first of *August 1716*.

real loss to the State, and its exportation necessarily causes the exchange to fall below par, which makes our trade disadvantageous *and turns out of work, all those whom that transported Money might have employed; which consequently impairs the revenue and the value of the country, as well as its manufactures and the number of its inhabitants* \*.

A plain proof of this fact arises from the course of exchange in those times. It will appear afterwards in my third Chapter †, that before the raising of the Specie, by the edict of *December 1715*, registered the 23d, the exchange was to our advantage from  $2\frac{1}{2}$  to  $4\frac{1}{10}$  *per cent.* The raising of the Coin made it fall to our disadvantage from  $4\frac{1}{2}$  to  $8\frac{1}{2}$  *per cent.* which is a difference in our prejudice of more than 10 *per cent.* Here we see what was the effect of the raising our Money, of the recoinage, and reformation ordained by the edict of *December 1715*. The effect of this whole procedure, as we see, is very opposite to what the Political Essay upon Commerce ascribes to it, *of having supported the Finances in 1716 and 1717.* Such always will be the effects of raising Money above its value.

'Tis indeed very surprizing to find, that against our own proper interest, we should have been at pains to make our trade lose all that advantage which it has from nature, and the industry of our inhabitants above that of our neighbours, and to make it fall into a disadvantage which ruins our country.

It will be easy to apprehend the infinite harm that is done to the State, by the methods that have been used in managing the Finances, which cause our Money to be hoarded up at home, or to be transported abroad, if we consider the extreme difference there is between the value of all the land estates, houses, buildings, industry and commerce of the Kingdom, and the value of all

\* Considerations upon Commerce, and Money, by M. Law, page 83. This passage is again cited below, article 8.

† Article 4, *Anno 1716*, month of *January*.

the Specie that is therein. For the good or bad effects of the Specie upon commerce, or upon the exchange of our goods, or upon arts and manufactures, are always proportioned to the value of all the real goods of a State, and to the value of all the Specie that circulates in that State. Now as the connection between those two values is very great, the loss of that State is also very great, when the Money does not circulate there: This is what we shall endeavour to make plain.

<i>The Marshal de Vauban in his Roy- al tithe * shews us that the revenues of the kingdom amounted to the sum of</i>	}	2,336,450,000
<i>Gæuvin de Rademont, Receiver of the King's farms, in his treatise of the Royal tithe †, says that the annual re- venue of all the heritages of the kingdom, houses, buildings, and edifices amounts to</i>		

Total	}	2,494,939,194

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<i>The revenue at a medium between those two is therefore</i>	}	2,415,694,597

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The revenue therefore of all the goods of the kingdom in 1699, which is the time when M. de Vauban wrote, amounted at least to two thousand four hundred millions †. At that time the mark of Silver was at 30 Livres 12 Sols.

\* Which he wrote *Anno* 1699, Edition in 12<sup>o</sup>. of 1707.

† Edition in 12<sup>o</sup>. *Livrè* 1715, page 149.

‡ This revenue divided among 20 millions of people that are in the Kingdom, gives to each but 120 Livres of rent, that is, 6 Sols 8 Deniers a day; which shews, that this revenue is so far from being too high, that 'tis not even enough.

There



There are very few estates that yield the 20th \* penny. There are even a great deal that yield only the 30th: At this day they yield but the 35th or 40th. At the 20th penny, (or at 20 years purchase) the value of the whole property in the kingdom would be

l.

48,300,000,000

At 25 years purchase	—	60,375,000,000
At 30 years purchase	—	72,450,000,000
At 35 years purchase	—	84,525,000,000
At 40 years purchase	—	96,600,000,000

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Total 362,250,000,000

The mean value would be — 72,450,000,000

But that I may not magnify matters, let us reckon them at 25 years: Upon this foot the value of the whole property of the kingdom was about sixty thousand millions.

60,000,000,000

At that time to be sure there were not 500 millions of Specie in France, at 30 Livres 12 Sols to the mark, But if this number be thought too small, let us suppose them to have been 600. Those 600 millions were to sixty thousand millions (the value of the estates, houses, buildings, industry and commerce of the Kingdom) as 1 is to 100, that is to say, all these particulars were an hundred times the value of the current Specie of the Kingdom.

Now in 1716 and 1717, Silver was worth 40 Livres the mark: Upon this foot the 600 millions supposed to be in the Kingdom, Anno 1699, would make upwards of 784 millions, 313 thousand Livres; but yet there were not 400 millions in circulation, since from the

\* A phrase equivalent in French to our reckoning by years purchase, accordingly we have so render'd it in other places.

date of the edicts that were given out for recoining the Money in *December* 1715, and *November* 1716, to the last of *July* 1717, there was only coined or reformed in the 28 Mints that were at work in *France* all that time, 379 millions 237 thousand Livres. Thus we may say, without including the Specie, which must needs have been imported into *France*, over and above what may have been exported from the year 1699 to 1717, that there was not recoined and new struck, by virtue of those two edicts, one half of the Specie which we have supposed was in the Kingdom; and consequently, that the other half was hoarded up, or transported into other countries: In a word, that it was unemployed and lying dead; insomuch that the circulating part had acquired a value more than double of what it had before those schemes of the Finances: Which necessarily produces a proportional decrease of more than double upon the estates, houses, industry and commerce; because the less Specie there is in a State, the less price will everything give; and the more thereof there is, the better price will still be given for the same thing. Whence it follows, that in 1716 and 1717, you had for one Livre what you paid two Livres for formerly. But there was a hundred times more stock in the Kingdom than cash.

If all this Stock was set to sale, it would evidently follow, that while Money gained the value of 1, the State would lose 100: But as all this stock is not set to sale at once, though at that time there were a great many sellers and but few buyers, let us suppose only one twentieth part thereof at market: It would amount to three thousand millions. Commodities, merchandize, and industry are to be sold every day; they are at least as much worth as the real estates, that is, 30 thousand millions, which makes 33 thousand millions; which are in proportion to the 784 millions of Specie, supposed in *France* in 1716 and 1717, as  $38 \frac{1}{2}$  to 1. Therefore as often as Money gained 1 in value, the State lost more than  $38 \frac{1}{2}$ , in case there was less Money than

than we suppose, which shews, that the greater dearth and scarcity there is of Money, goods proportionably fall in their value.

This proportion which we have settled between the value of estates, industry and commerce, and the value of Money that is in the Kingdom, will appear exorbitant to those who will not take the trouble to compare the immense value of all those particulars, with the small sum of Money that must needs represent them all, and serve for their just measure: But those who will carefully make this comparison, will know from the vast difference which they will find between the one and the other, that I have not magnify'd matters.

All these things, as we see, have but little value, when Money has a great deal, and this should engage us not to suffer that unjust preference, but to labour incessantly to bring down the value of Money, by giving it a quicker motion and circulation, which we ought by no means to impede, as we do by our frequent alterations of the Coin, by our Chambers of Justice, our *Visas*, and other methods of that nature. Happy would it be for the State, were we but once for all convinced of our error in pursuing those odious expedients, which serve only to aggravate the publick misery, by interrupting the course of trade and consumption.

## A R T I C L E VII.

*Wherein we endeavour to give a reply to the answers offered by the Author, to take off the force of the objections that are raised against the circulating of light Money.*

THE Author of the book, which is the subject of our remarks, in his 16th Chapter, answers the objections that are raised against enhancing the nominal value of the Coin, or against circulating Money below establish'd weight or standard, an expedient which he defends. I shall take notice only of two of them, such

as he quotes them in the 218th page of his book, and page 209 of the second edition.

I. *The excessive raising the price of commodities, and of Merchandise.*

II. *That less Gold and Silver is received from foreigners, who buy commodities in France.*

If these two first objections hold good, the fourth and fifth will be so \* too. Thus in answering the one we answer the other; the third is not so important.

In page 235 †, the Author answers these objections, by saying: 'The second objection is destroyed by the first; for since commodities rise, they must rise in proportion to the Money, which is their common measure; so that the thing is equal to the foreigner, who pays by weight and standard: Or, if commodities rose in a lower proportion, that would be yet much more advantageous to the Kingdom, since the King could in a moment enrich his subjects by raising the Specie; which would multiply the numerical values for the buyers, without raising the price of commodities; and the sellers, who would still receive the same sum, would gain no less thereby, by the easy and expeditious sale of their commodities. From which we see how superficial these objections are.'

In this reasoning the Author represents the nation in two situations. In the first he supposes all commodities to rise in proportion to the Specie; this is what ought indeed to be the case, though it never happens to be so in fact, at least not all at once. But granting him

\* The amount of the fourth objection is, that the Renter and Land-holder will lose so much of their rents when the Money is raised. The fifth is, that the King sustains so much loss by being obliged to augment the salaries of his officers in proportion to the dearth of commodities, and to pay his foreign debts according to the weight of Silver, whereas he receives in Money, whose value is raised, above weight.

† Page 222 of the second edition.

this fact for once, what benefit or advantage would the nation reap from this enhancement, which would then have no desired effect, since the nation would only receive the same weight and standard which it would have received before the raising of the Specie, which in that case would add nothing to our riches, but be a great grievance to us, by swelling all our articles of expence, as we shall soon see?

In the second, he supposes that commodities rising in a less proportion than Specie, this would be a means to enrich the nation. If this short and easy means were admitted, there would not be a Prince but might put it in practice.

In order to make good the objections which the Author thinks so superficial, and to answer the two cases which he puts in his reasoning, I shall now make three Applications. In the first, I shall suppose that Specie rising a fifth, or 20 *per cent*, commodities likewise rise 20 *per cent*. This is his first case.

In the second, that commodities rise only 10 *per cent*. one half less than the Specie. This is the second case, whence the Author promises advantage to arise.

And in the third, that commodities remain at the same rate as they were before Money was raised.

These are all the different cases that can happen, and which ought to shew us the advantageous effects which the Author promises from raising the Coin.

## APPLICATION I.

*Specie and Commodities rising 20 per cent.*

**I**F the Commodities rise in proportion to the Specie, the raising of Money is useless, because it cannot have the desired effect.

## EXAMPLE

## EXAMPLE I.

**I**F a measure of corn, or wine, is sold for 200 Livres, and our Monies be rais'd a fifth part above their value, the same measure of corn or wine will sell for 240 Livres, without being dearer than before; 'tis the enhancement of the Coin that raises the account. It would be the same case with regard to the King, and every private person, if the revenues rose in proportion to the Specie; but those revenues being always the same, and Commodities rising a fifth part according to our hypothesis, 'tis manifest that expences will encrease considerably every year, and that this additional expence will be so much clear loss.

## EXAMPLE II.

**I** Suppose the King's revenues to be 200 millions, and his annual expences the like sum; I suppose again, to make the thing more evident, that his Majesty has 50 millions in his coffers, and that in the prospect of gaining 10, he raises the numerical value of Money a fifth, according to our hypothesis.

It must be owned that 10 millions are a strong temptation, especially in time of need: But it must also be owned, that it is a very deceitful one. For it makes the King lose 10, 15, nay perhaps 20 every year: This truth is capable of demonstration. For Commodities rising as the Specie, his Majesty's expences will necessarily follow that rise, excepting however the rents upon the Town-house of *Paris*, salaries, pensions, and the pay of the troops, &c. which the King pays in the same Species he receives; which expences supposed to be about 100 millions of Livres, or about 150 if you will, for I put the case always rather too low than too high; the overplus which is to be affected by enhancing the Coin, being 50 millions, his Majesty will not  
be

be able to pay with less than 60. Thus his total expence will be every year 210 millions, and yet the articles of expence will be the same that were defrayed with 200 millions before the Coin was raised; he loses therefore every year ten millions by this inhanement of the Coin, which has only brought him in 10 once for all: whence it follows, that in 20 years the King shall lose one year of his revenue, and thereby will find himself behind-hand in his annual expence; in which case he will be forced to anticipate on the revenues of the succeeding years, which thereby will be encumbered with 10 millions a year, and perhaps with higher sums. What pernicious expedients! This article is of the last consequence to the interests of the King and those of the publick, which thereby loses no less than his Majesty. The private person, who expends his annual revenue upon his table and the other necessaries of life, loses yearly a fifth part of his income, excepting his servants wages, and other expences which he pays upon the same foot that he receives. This I take to be the case as to a great part of the Kingdom; not to mention the renter, who is in like manner affected in the fifth part of his rents. This observation is true in relation to the King and State; but 'tis easy to conceive that with relation to the private person, it favours the Debtor, or the Seller, by bringing him in a greater numerical value in the sale of his Commodities (which enables him to clear his debts more easily) and it ruins the Creditor who receives much less than is due to him; thus what the Debtor gains the Creditor loses; or what the seller gains, the buyer loses, and as there are more buyers than sellers, so there are more losers than gainers. This is what I had to say in answer to the Author's first case: I shall in like manner give a reply to his second case in my second Application which follows.

*A necessary*

### *A Necessary CONSEQUENCE.*

As soon as my revenue does not rise, and the dearth of Commodities swells my expence, this dearth of Commodities, and whatever occasions it, is hurtful to me, and this encrease of expence which to me is so much clear loss, is what I cannot think a thing indifferent. Thus to raise the numerical value of Money continues still to be contrary to the interest of King and People as Debtors. Which is just the reverse of what the Author says in pages 212 and 217 of the first edition, and 204 and 208 of the second.

### APPLICATION II.

*Money rising 20 per cent. and Commodities 10; a case which the Author reckons advantageous.*

I Suppose the revenue of *France*, whether Commodities, Arts or Manufactures, to be altogether 1000 millions of Livres; I suppose also the coined Money in the Kingdom to be 600 millions, and that the Money is raised one fifth or 20 *per cent.* In that case the Money in *France* would amount to 720 millions of Livres: But if Commodities rise only 10 *per cent.* or a tenth, this sum of 720 millions will be worth no more to the nation than 660 millions would have been before the Coin was raised, because that sum would only buy the same quantity of Commodities: Whence it follows that by this enhancement of the Coin, the denomination of the Specie rises 120 millions of Livres; but that this sum, compared with the value of our Commodities, is in effect but 60 millions of Livres. Therefore the measure with which we estimate merchandize, being raised a fifth or 20 *per cent.* in its denomination, and the merchandize themselves rising only a tenth or 10 *per cent.* 'tis clear that *France* will lose every year 60 millions,



millions; or the tenth part of all her foreign trade. 'Tis the same as to the King's revenues, and those of every private man who shall sell his estate: He will receive the tenth part less than before, whether he sells it in Money, or in foreign Commodities. This is the sentiment of the late M. Law \*, who in proof of what he advances, takes *France* and *Holland* for examples, and delivers himself to this effect:

' In *France* the denomination of Money is higher than in other states; but it does not prevent the transportation of her Money. When the *Lewidore* was at 12 *Livres*, the balance was against *France* 10 per cent. Thus at *Paris* 110 *Lewidores* were given to have 100 at *Amsterdam* of the same weight and standard: And as they passed in *Holland* only for 9 *Florins* Bank-money †, there was 10 per cent. gain'd by transporting them thither.

' When the *Lewidore* was at 14 *Livres*, the balance was no less unfavourable to them: It was still 10 per cent in their prejudice, and the profits of transportation were still the same: Thus those expedients of raising Money, far from making the balance of exchange favourable to the *French*, have on the contrary done them a great deal of harm; for their Commodities not rising in proportion, they have always sold them at too low a rate, and bought them from foreigners much dearer than formerly: The effect of which is, not only that the balance is against them, and their Money transported in greater quantities; but it likewise turns out of work all those whom that transported Money might have employed. This of consequence impairs the revenue and the value of the country, as well as its manufactures and the number of its inhabitants.'

\* *Considerations upon Commerce and Money*, page 81 and sequ.

† Between the current Money, and that of the Bank of *Amsterdam* is a difference of 5 per cent, which difference is called *Agio*; thus the Ducatoon which passes in Commerce for 63 *Stivers* is received by the Bank only for 60.

'Twas in these terms the late M. *Law* addressed himself to the *Scotch* parliament in 1765. All *France* knows that he had meditated upon that subject, and that he understood it thoroughly. What he says here is diametrically opposite to what our Author lays down in page 235\* of his book; *that if Commodities rose in a lower proportion than Money, this would still be more advantageous to the Kingdom, since the King might in a moment enrich his subjects by raising the specie.* Now this second application precisely coincides with the case which the Author reckons to be advantageous to the Kingdom, since it supposes Commodities raised in a lower proportion than the Specie; and yet we have now seen that there results from it a real loss to the nation of the tenth part of all its foreign trade: This can never be reputed an advantage to the State. Were this a good and effectual method of enriching the nation, 'tis too easy and expeditious not to be pursued; we should never see a necessitous Prince or people; all the world would become opulent and wealthy, because it would be in the power of every Prince to have recourse to it.

### APPLICATION III.

*The Specie rising 20 per cent, and Commodities not rising.*

THE rate of our Commodities never rises in retail all at once, either in the fairs, or in the markets, in proportion to the raising of the Money; as little do they fall at once, as low as the Specie; the Merchant and Trader are much more disposed to raise the prices than to lower them. I am however of opinion, that it is the plenty or barrenness of years, and the present demand for those commodities, that regulates the prices of them†; and that the Merchants in

\* Page 223 of the second edition.

† See below Chapter III. article 6.

wholesale sell them only at the ordinary rates, or very little more: In that case we lie under this disadvantage, that our Commodities sell cheaper elsewhere, and we buy those of foreigners dearer.

## EXAMPLE

**T**HE Merchant, who before the Money was raised on the 26th of *May* 1726, had sent over to the value of 300 livres of merchandize from *France* to *Holland*, and had sold them there for  $216\frac{2}{3}$  Florins, making, the par being then 65 gros of the current Money, the sum of 400 *French* Livres, would seem to gain thereby 181 Livres 9 Sols 7 Deniers; for the  $216\frac{2}{3}$  Florins, after the Money is raised, are valued at 481 Livres 9 Sols 7 Deniers among us, since that enhancement of our coin reduces the par to 54 gros current Money; but the Nation gains no more than it did, when the return amounted only to 400 Livres; because those 400 Livres at that time had the same value in *Holland* as 481 Livres 9 Sols 7 Deniers have at present, and bought there the same quantity of foreign goods. The Nation therefore gains nothing by such a regulation, but it may lose thereby a great deal, as we have seen by the two preceding applications, and by this.

Once more let us suppose, for the proof of it, that the merchandises which we transport into *Holland* are bought for three millions of prime cost, and that we got four millions of Livres in return for them.

Suppose likewise that the foreign goods which we consume, and our disbursements in foreign Countries, amount to four millions five hundred thousand Livres, and that by consequence we were owing five hundred thousand Livres by the ballance of trade.

If the numerical value of the coin be raised a fifth, as it was by the arret of the 26th of *May* 1726, and Commodities remain at the same rate as we have supposed, then the *Hollanders* with five sixths of three millions,

millions, which make two millions five hundred thousand Livres, whether in Money, Letters of exchange, or in Commodities, will buy among us the same Commodities which we sell to them at four millions of livres. Now the duties of importation and exportation, and our expences in foreign countries, being supposed to amount to four millions five hundred thousand Livres, *France* would owe a ballance of two millions of Livres, instead of the five hundred thousand Livres reckoned upon our supposition.

This truth is easy to be conceived: We sell our Commodities below their value, because that value is answered and measured through the Kingdom by a Coin which expresses a false value. The foreigner does not sell his according to the rate of our Money: He must have the same standard and same weight of Gold and Silver as he had before the Money was over-valued, or as he might have had from other nations; and who can blame him? 'tis an example worthy our imitation. But from thence it follows, that the foreigner who carries away our Commodities, according as they are valued in the Kingdom, does not pay to us their real and full value. 'Tis this profit which the foreigner makes by carrying off our Commodities, that obliges him for a time, at least, to take a greater quantity of them than before: But if he does so, it is without bringing us in more Money. During that time we gain something by the exchange, and our trade then appears to be advantageous to us: But I am far from thinking that gain capable of ballancing the loss we sustain on the other side by the overplus of our goods, which foreigners carry off for nothing.

To explain what I mean, I suppose a *Dutch Merchant* laid out every year 100 Marks of Gold in purchasing our merchandise before the Money was raised: He got in return for his Money 100 bales, and since the rise of the Coin, with the same 100 marks of Gold, he buys up 120 bales, if Commodities have not risen, as we put the case. If they have risen 5 per cent. he gets

gets for his Money 115 bales; and if they have risen 10 per cent. he gets 110. Here then, in the first case, there is a fifth; in the second, three twentieths; and in the third, a tenth more of our Commodities, which he carries off, and which are evidently so much clear loss to us: Is it to be thought, that the profit the Nation makes by selling an overplus of 20, 15, 10 bales, is able to compensate so much as the fourth part of the value of those 20, 15, and 10 bales, which it evidently loses?

To this *Problem* our whole question is precisely reducible: The solution of it to me appears a hard task; I wait for it from the Author, with a particular instructive demonstration. In the mean time, from the facts I have already stated, I think I may draw this

### IMPORTANT PRINCIPLE.

*When the Law of the Sovereign, appoints the current Monies of the Kingdom to pass for more than their Standard and weight, those Monies expressing then a false value in the eye of foreigners, who admit nothing into the account but weight and standard, become a false measure against themselves, in the valuation of goods which we exchange abroad.*

And indeed, if a Lewidore is estimated at 24 Livres by the law, and contains only 20 Livres of Gold, according to the ancient foot, we lose four millions of Livres upon twenty-four millions of Commodities which *France* sends abroad: This is a sixth part clear loss; that is, there enters into *France* a sixth less Gold and Silver for the same thing, than there did before the Money was raised, and yet the same quantity of our commodities is carried out of the Kingdom. This fact solidly supports the second objection considered by the Author in his 218 page, and accounted by him, page 286 \*, to be trifling and superficial.

\* Page 209 and 223 of the second edition.

In like manner, by a contrary reason, the foreign merchant with twenty millions discharges twenty-four millions, which he was indebted to us; a manifest proof, that all estimation of Money above its just value, brings on and continues an insupportable damage upon the Kingdom, as to all the equivalents wherewith we supply foreigners; for as much as our Monies are raised above their just value, so much less Duty does the foreign merchant pay upon the exportation of the merchandize which he carries out of *France*; since in order to clear both the price which those merchandizes stand him at prime cost, and the Duties laid upon them which he pays in the Kingdom, those two values are equally estimated to our prejudice by the course of foreign Exchange, which never exceeds the real value of our Monies. Thus suppose the Duty of Exportation to be fixed at 24 Livres by the Tarif, the foreign merchant pays only 20, so long as our Money is received in the Offices at so high a rate: Whence it follows, that in order to discharge a debt we owe to a foreigner of twenty millions of Livres, *France*, which must pay such a number of coin'd pieces, in which the payment is made, as amounts to that of the real value, pays twenty-four millions for twenty. This fact is clear.

The result therefore of the first Application is, that supposing the Specie and Commodities of the Kingdom to rise equally, since this will have no influence to raise the Revenues, the King must lose every year the twentieth part of his Revenue, and the Nation a great deal more.

The result of the second, where we suppose the Specie to rise 20 *per cent.* and Commodities only 10, is, that *France* loses every year the tenth part of all her foreign Trade, and the King at least the fortieth part of his Revenue; which is diametrically opposite to what the Author says *page 235.*

The result of the third, where the Specie is supposed to rise 20 *per cent.* while Commodities and the Revenues rise nothing, is, that the Nation loses a fifth of its Commodities, which the foreigner carries off for nothing; the King a fifth of his Duty, and of all the expences which he is obliged to lay out in foreign countries; and that there is brought into France a sixth part less Gold and Silver, than was imported before the raising of the Specie; *which likewise very solidly supports the second objection, which the Author calls superficial.*

These now are all the Cases that can happen, and which ought to have shewn us the advantages which the Author alledges must arise from raising the Coin. We, on the contrary, find nothing in them but very considerable disadvantage; so that we can by no means allow what he says in page 194 \*, and the consequence which he will have to follow, from his Principles, page 237, N<sup>o</sup> 2. *That the value of Money having risen from One to more than Sixty, without having done harm either to Commerce or the Finances, he concludes that it is indifferent to both; 'tis incumbent on him to prove his consequence, and to shew us a case, wherein he finds this enhancement of Money advantageous to the King and State.*

In the mean time, leaving him to make that out, I shall farther set before him an answer made by the late Mr. Law, to an objection in favour of the raising of Money: It is as clear as it is decisive: You will find it in the 87th page of his *Considerations upon Commerce and Money*: Here is the objection with his answer.

‘ Some persons are for the raising of Money, because in that case, say they, more of our Commodities would be transported than are at present, because of the small profit that arises from transport-

\* Page 190 and 224, N. 2. of the second edition.

ing them : For instance, A quantity of Serge worth an hundred Livres sells in *Holland* only for 120 Livres : Now who will be at the pains to transport it for 20 *per cent.* profit? But if the Money was raised, and the Serge not raised in proportion, with 100 Livres one might buy to the value of 120 Livres of Serge ; and this sum being worth 144 Livres in *Holland*, no body need grudge to transport it. ’

To this objection, Mr. *Law* answers as follows : But this is the same thing, as if a Merchant who has an hundred different sorts of Commodities, and being offered 30 *per cent.* upon ninety pieces of his merchandize, and 10 *per cent.* upon the rest, should add a fourth part to his weights, his measures and his ells, and sell his goods at the same price as before ; by these expedients he would be a loser, and so will every Nation that shall raise its Money. ’

This answer of Mr. *Law*’s is not set in a clear enough light, I take leave to explain it here more fully according to the view I have of it.

By supposing the hundred sorts of goods to have cost an hundred Livres each, the 90 sorts will make 9000 Livres, to which adding a profit of 30 <i>per cent.</i> , which comes to 2700 Livres, we shall have	}	Livres. 11700
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The ten sorts remaining at 100 Livres each come to 1000 Livres, to which adding 10 <i>per cent.</i> profit, that is 100 Livres, we shall have	}	1100
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And the sum of both is 12800

’Tis not natural to think a Trader would wilfully injure himself : However, putting the case with Mr. *Law*, that he should encrease his weights, his measures, and ells a fourth part, without raising the price of his goods,



goods, 'tis certain that the whole augmentation, which is one fourth, or 3200 Livres upon the 12800 Livres aforesaid, will be so much clear loss to him, which I thus prove :

<i>To encrease his weights, his measures and ells a fourth, without raising the price of his goods, or to diminish a fourth part of the price, is precisely the same; thus instead of selling them at 100, he sells them only at 75. Now at this rate, the 90 sorts yield him only 6750 Livres, to which adding 30 per cent. profit, which makes 2025 Livres, the whole will make but</i>	Livres 8775
<i>The ten remaining parcels are worth to him 750 Livres, and the 10 per cent. being 75 Livres, which makes</i>	825

<i>Therefore he receives only</i>	9600
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<i>That is to say, by this doing he loses</i>	3200
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which is his whole profit, and 400 Livres more of his disbursement.

The same will be the fate of every Nation that shall raise its Money, unless at the same time it raises its Commodities in proportion to the Money.

And if, on the contrary, we follow not Mr. Law's terms literally, but suppose the Merchant, instead of augmenting his weights, measures and yards a fourth part, to falsify them a fourth part to his own profit, or to diminish them; 'tis clear, that of 100 he shall make 125, and that he will gain the fourth part, which, in this case is 3200 Livres: Since

<i>To diminish his weights, his measures and yards a fourth part, without lowering the price of his goods, or to raise their price a fourth part is exactly the same; thus instead of selling them for 100 he sells them for 125. Now at this rate the 90 parcels bring him in 11250 Livres, to which adding 30 per cent. which make 3375 Livres, we have</i>	}	Livres  14625
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<i>The ten remaining parcels are worth 1250, and the 10 per cent. is 125, which makes</i>	}	1375
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<i>Which would yield him the sum of</i>	16000
<i>Whereas he was to have had only</i>	12800

<i>Upon the whole therefore he gains</i>	3200
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This second explanation does not suppose, like the first, that the Merchant wilfully injures himself, but it procures an evident profit; whereas Mr. *Law's* Intention was plainly to represent a loss. Accordingly this last explication does not answer his purpose: The first is the true one: It shews us, that to raise the Money in order to promote the sale of our Commodities, is to be grossly mistaken in politicks. *Thomas Mun* \* is likewise of this opinion; which is opposite to the principle laid down by the Author of the *Political Essay*, in page 238 of his second edition, where he says that *the enhancing the value of Money, is necessary for the relief of the poor Labourer who is overwhelm'd with debt.*

To raise the value of Money above its just weight such as it is, such proportionally will its bad influence be upon circulation, and consequently upon commerce, that whenever in a State that is well regulated, and where trade is taken care of, as it ought to be, any of that light, or, as we may properly call it, that false Money has got footing, the State itself ought to call it

\* *Treasure of commerce, Chap. VIII. p. 88 and 89.*

in at its own expence, taking it from the people upon the same foot as it was given them. What makes this the more equitable, is that the subject has neither the power, nor the authority to hinder the currency of that sort of Money, and yet it is most unreasonable that he should sustain any loss thereby. What pass'd at *Venice* in 1603, (which you may read in *Andrew Morisini*, book 14, page 641, or *Amelot de la Houssaye*, Vol. I. p. 221.) furnishes an excellent proof thereof; as also what happened in *England* under *William III.* the history of which we have in *Larrey*, vol. IV. p. 762 and 764, and in *le Clerc's Bibliotheque choise*, tome 6. p. 384, and *sequ.* There in the midst of a terrible war they set about a reformation of the Coin, which was found in a very bad state, because it had been so much clipp'd under preceeding reigns, that it was diminished more than a third of its just weight. Which made people believe they had what they had not; for tho' it had not been raised by any publick authority, it was nevertheless valued in commerce at a third part more than its weight allowed, which had the same effect as if it had been raised by authority, and ruined trade several ways. *M. Lock* took notice of this disorder, and in order to engage the nation to remedy it, he told them: 'There was an evil in *England*, which though none were aware of, did more harm to the nation, than those which they dreaded most; and that if the Coin was not rectified, they would be ruined by that alone, though every thing else should even succeed to their mind.'

In order to excite the nation to take care of this, he published a small treatise in 1692, intitled; *Considerations of the Consequences of the lowering of interest and raising the value of Money.* It was he that contributed most to make the Parliament sensible, that there was no other way of saving the trade of *England*, but to cause the Money to be recoined, without raising the value of it at the expence of the publick; for that end he composed another little treatise, containing *farther considerations concerning raising the value of Money.* This he pub-

lished in 1695. This treatise, and some others, were reprinted the year following, under the title of *Papers concerning Money, Interest and Commerce*.

*Bouteroue*, to whom the Author refers us in page 175, says in his observations, page 151: *That the raising of Money is a dangerous expedient, that it is an eating Cancer which brings on gradual ruin upon a nation, whose effect is to cause less Money to be received in selling, because it raises all things in their price.*

The result of this article, or of the three preceeding Applications, is, that the revenues of the Kingdom and commodities being estimated by Money, the numerical value of Money cannot be raised, or its weight diminished in any manner of way, without raising at the same time, and in the same proportion, the Revenues and Commodities: Otherwise all expedients of coining light Money will ever be detrimental to the King and Nation, as I have shewed. And if that method be taken, which I now mentioned, to raise the Revenue and Commodities in proportion to the Money, the circulating light Money will have no other effect but that of encreasing accounts, except in the cases before specified, page 59, upon the first Application, every thing else will be found such as it was, before the raising of the Money, which of consequence becomes useless and of no effect; a proof that such an expedient ought never to be taken; and that Money being the necessary instrument of our reciprocal exchanges, and the measure which regulates the value of exchanged goods, it ought never to be touched any more than other measures, whether the taxes be sufficient or not, to answer all the charges of the State, or whether the collecting them be effectuated with ease or with difficulty (\*).

I hope to shew in a plain and affecting manner hereafter, that 'tis more advantageous to the Nation, and to the King himself, to have recourse to any other

\* *Political Essay*, page 198 and 270. Second edition, p. 192, 193, and 396.

means rather than to that of altering the Coin, in order to raise the supplies for which his Majesty may have occasion \*.

Hitherto I can see little resemblance between the Author's sentiments and mine. On the contrary I find them quite opposite to one another, and this opposition is what determined me to make these remarks, in order to communicate them to him. I was hopeful that his answer which I expected to have seen in writing, supported by conclusive facts, fully laid out, and applied to the subject in an instructive manner, would have brought me over to his opinion, as he promised to me: Instead of making good that promise, he has done me the honour to tell me publickly, that we are uniform in our sentiments. If it be so, he has changed his opinion since the two editions of his book †. For as to my own part, I have not altered one jot of my opinion since writing the letters; on the contrary, I am more and more persuaded that every time we shall make any alteration in our Coins, whether by raising or lowering their numerical value, or by reforming them, or in fine by melting them down in order to coin them a-new, and whenever for the King's benefit, too great a disproportion shall be allowed between the value of the old Specie and that of the new; the Specie that is lowest valued will remain hoarded up till a favourable occasion offer, or else it will be transported into foreign countries ‡. This is what happened after the Money was recoined in the months of *May 1709, December 1713, November 1716, and January 1726*. These

\* See Chapter III. article 4. and article 6.

† The second edition of that book, publish'd more than nine months after I had address'd my letters to the Author, contains, as well as the first, the same reasonings which I here oppose: Thus there is ground to think that the Author persists in his opinion. He has even added another in this second edition, which makes for me: I make use of it at the end of the second Chapter of these remarks, which proves that we are not perfectly harmonious in our sentiments.

‡ See the proof thereof, Chapter III. article 4.

two cases give rise to two or three other very dangerous ones, which I have explained above \*. Neither of these cases therefore can be advantageous to the King or to the Nation, but only to the foreigners. The Author himself will give us an invincible proof thereof in the following article. The fact which I have in my eye had escaped me in my letters: It gives great strength to all my foregoing arguments, and decides the question in my favour, as the reader himself shall be judge.

## ARTICLE VIII.

*Of the proportion in Monies. This is the title of our Author's eleventh Chapter †, page 175.*

‘THE Historians, even those who have writ particularly upon Money, almost always found (at least in their reasonings) the raising of the denomination with the disproportion between the Species, or the exorbitant Duty of seigniorage taken by our Kings in the coinage of Money.

‘Crowns are subdivided into halves and quarters of the same standard and proportional weight; inso-much that he who has ten Crowns, or twenty half Crowns, or forty quarters, has the same value in weight and standard. This is what is called, *exact proportion in Money*. *Idem* ‡ upon Gold and *Billon* §. Thus the Author of the *Political Essay* delivers himself.

’Tis not here that we are agreed; for what the Author calls, *exact proportion in Money*, to me is nothing but a distribution or subdivision of a *Lewidore* or

\* Chapter I. article 6. page 48.

† It is the thirteenth of the second edition, and page 174.

‡ *Bouteroul*, in his *Treatise of Coins*, whom that Author had quoted before.

§ Gold or Silver that have more alloy than the standard allows, thus *Gold Billon* is below 22 carats, and *Silver Billon* below 11 pennyweight.

Crown into their parts. If these parts precisely equal their whole in weight and standard, the subdivision is exact and well made. If they don't equal it, it is inaccurate and ill made: Then there is a disproportion between the whole and its parts; but this is not called proportion in Money. What in Money goes under that name is quite another thing. As the Author says nothing of it, and yet it being of importance to be understood, I shall say a few words about it occasionally hereafter, and I shall deduce its simple and important principles, which I have no where seen.

In page 177 \* the Author thus goes on to explain himself. ' Suppose in an exigence of State an imprudent Minister should for a sum of Money allow the Farmers of the revenue to make silver quarter Crowns, one half below the standard fineness of the Crowns, and yet of the numerical value of a quarter Crown, so that the value of a Crown shall be given for four of them. 'Tis evident, says the Author, that a payment which shall be made in quarter Crowns, will contain only the half of the Silver that is in Crown pieces. The expert Merchant and Foreigner will be sure to make their payments in quarter Crowns, and endeavour to receive Crowns, which they will cause to be recoined into quarters, with 50 *per cent.* profit. The King as well as others will be paid only in quarter Crowns, and what he had gained by this coinage will turn to his own loss and that of the State, in favour of foreigners.'

Here for the first time we happen to unite in our sentiments about Money. 'Tis obvious, that to diminish the standard or weight of any piece of Money whatever, or of the whole Specie together, without lowering their value; or to raise their numerical value one half, without proportionally raising their standard or weight, is precisely the same thing as to the effect, because this

is always to make the Money pass for one half more than 'tis really worth.

Thus the Historians, whom the Author speaks of, might, without being in an error, confound the raising the numerical value with that disproportion between the part and its whole, and even between the whole, or the entire mass of the Coins; since the effect of both is precisely the same.

Now, if in the case stated by the Author, the expert Merchant and Foreigner make their payments in quarter Crowns of light weight, which they exchange for Crowns, which they get recoined into quarters, with 50 *per cent.* profit, if the King is only paid in quarter Crowns, and what he makes by this coinage turns to his own loss and to that of the State, in favour of Foreigners, as the Author puts the case, I say, the disorder and disadvantage is still greater, when upon our renewing the Coins, which is never done but to procure some advantage to the King, there is a difference of 20 or 30 *per cent.* allowed between the old Coin and the new; because then the disproportion affects the whole mass of the Coins, whether Gold or Silver; whereas here it only extends to the Crowns, which are but a small part of the whole Money in the Kingdom. Then, I say, the expert Merchant and Foreigner in the same way make their payments in new Species that must needs be below weight, and they endeavour likewise to receive what is due to themselves in old Species, the transportation whereof is much easier than of quarter crowns, and these old Species they cause to be recoined into new ones, with profit. In this case, as in the other, the King is only paid in new Species of light weight, and what he makes by this coinage turns equally to his loss and that of the State, to the advantage of Foreigners: This is a thing not to be called in question. Thus the Author here furnishes me with an invincible proof, that the raising of the numerical



rical value of Money, which he advises \*, *turns always to the loss of the King, and to that of the State, in favour of foreigners*; this is likewise my opinion, and what I had undertaken to prove to him by my observations.

If the Money be raised in its value without coining new Specie, as the Author would have it, *page 237, No 4.* there will then be no disproportion; the Specie, though taken down in the weight will be uniform in its value: But if Commodities and Revenues rise not in proportion to the Money, the King and Nation will lose thereby considerably, as I have prov'd in the preceeding article; and if Commodities and Revenues rise in proportion to the Money, the raising of the Specie becomes useless, and of no effect, except in the case mentioned above at the end of the first Application, *article 7, page 56, and again page 68 at the end of the preceeding article, and once more in Chap. III. article 6.* Thus, in whatever light we consider the thing, we still see the raising of Money destructive to King and State.

There is therefore truth in what we said, that in a pressing exigence it will be infinitely more advantageous to his Majesty and the State, to have recourse to any other means, and even to a transitory tax proportioned to every one's abilities. If the people be able to bear it †, they ought to pay it without a grudge, because, to say it again, let it be a hundredth, a fiftieth, a fortieth, a twentieth, a tenth, and even a fifth part of their income, it never will be so burthensome to them as an alteration in the Specie. This transitory tax, such as it is, would be a much quicker supply to the King, than the change of Money; for that tax may be collected within the year, whereas the changing of the Money requires several.

\* *Political Essay*, p. 237. No. 3. and p. 270, 202, and 205. p. 224. No. 2, 3, and 4. p. 396, 196, and 198 of the second edition.

† See below the end of the 4th article of *Chap. III.*

In Pages 180 and 181 \*, the Author again delivers himself as follows: 'The levying the Duty of Seigniorage, which always belonged to the King, would be prejudicial to the State, if it were high enough to establish such a disproportion between the old Money, or Bullion, and the new Money, that foreigners might find some considerable profit in the recoinage; because in that case they would buy up the old Money, which they would pay in Money newly coined at home.' This is what I had said before; thus the Author once more gives up the cause.

The levying of the Duty of Seigniorage, which the King raises upon the coinage of Money, is not the only thing that puts a disproportion between the old Money and the new. To this we must join the expences of coining †, and likewise what abatements in the weight and standard are allowed by the King ‡: Then this difference between the old Money and the new is called *Traite*. 'Tis always high enough, to put such a difference, between the old Specie and the new, as gives the foreigner an opportunity of gaining 10, 12, 15, and sometimes 20 *per cent.* by buying our old Specie, and paying it with new recoined in his own country. Upon the recoinage *anno* 1709, which, according to our Author, was a mean of saving the State, this difference was at 23  $\frac{1}{11}$  *per cent.* || Upon the recoinage and reformation of the Money in the month of *December* 1715, this disproportion was 25 *per cent.* \*\* and so it continued by that in *November* 1716 ††: By the recoinage in *January* 1726, the disproportion at first was more than 22 *per cent.* The Arret ‡‡ of *May*

\* Page 178 and 179 of the second edition.

† What is called *le droit de Brassage*, the dues that belong to the Masters and Officers of the Mint, which is 3 Livres on the mark of Lewidores, and 18 Sols on the mark of Silver.

‡ *Remedes de poids & de Loy*, as it is explained above.

|| Below Chap. III. article 2.

\*\* *Idem.* article 4.

†† *Idem.* article 6.

‡‡ *Idem.*

the 26th brought it down by raising the old Specie 30 *per cent.* and the new only 20; whereby they came nearer to one another in proportion by 10 *per cent.* and consequently the profit of foreigners was reduced to 8 or 9 *per cent.* which is still very high. And needs there be a more powerful motive to invite foreigners, and even our own Merchants who understand exchange, to transport our Species abroad? Now this transportation necessarily makes the exchange fall to our disadvantage, in regard that our old Specie being recoined in foreign countries, and then sent over to *France*, the foreigner gains upon us what the King ought to have gained, and as *M. Law* has it \*, *It turns out of work all whom that transported Money might have employed, which consequently impairs the revenue and value of the country, as well as its Manufactures, and the number of its inhabitants* †.

This case, unluckily for us, happens every time we recoin or reform our Money, because we never do so but to furnish the King with the supplies which he needs; for raising which, it would be much more advantageous to have recourse to any other means.

If this *Traite*, or this difference, which comprehends all the charges of the coinage, were not in the same proportion as those metals are to one another, but the charges upon the one were higher in proportion than the charges upon the other, this disproportion would destroy all real equivalent between those metals; which would occasion disorder, because they reciprocally measure one another after the coinage. Our ancestors were wonderfully sensible of the whole weight of this burden, I mean, of all the prejudice which they sustained by the changes of Money, at the beginning of the third race of our Kings: There were whole towns and provinces, which to obtain a fix'd Money, granted

\* Considerations upon Money and Commerce, p. 83.

† This passage is already quoted above, Chap. I. article 6. p. 51. But it cannot be too often repeated.

the King a certain Duty every three years \*. And we are told by *le Blanc* †: ‘ That as soon as *Charles VII.* had expelled the *English* out of the Kingdom, he began to re-establish order therein by the regulation of the Coins, and that he had found by an ancient manuscript of that time, that the people remembering the inconveniency and infinite grievances, which they had sustained by the circulation of light Money, and by frequently changing the rate of the mark of Gold and Silver, pray’d the King to quit that part of his prerogative, consenting to his laying on the *Tailles* ‡ and the *Aydes* §, which request was granted them: The King only reserv’d to himself a very small Duty of Seigniorage, which was allotted for paying the Officers of the Mint, and the expences of the coinage. An ancient register of the Mints, which appeared to have been compiled under the reign of *Charles VII.* says, *that ever since the King laid on the Tailles the possession of the Mints was of no more importance to him.*’

Which shews us that the fix’d tax of the *Tailles* and *Aydes* was substituted, in the room of an ancient Duty, infinitely more incommodious than these two new taxes then were: The people, I mean the nation, would gain a great deal, if they would redeem from the King, at least during his own reign, the Duty of Seigniorage, which *Charles VII.* reserved to his successors.

I resume the reasoning of the Author, who thus goes on, in p. 189, *This was the cause of some loss to the State*

\* *Laurence Bouchel’s* Bibliotheque du Droit Francois, vol. 2. p. 770.

† Page 76.

‡ The *Taille* at first was a voluntary subsidy, but now it is a perpetual tax, and is either real, upon land, as in *Guienne*; or personal, when it is assess’d upon any personal estate, as it is generally through the Kingdom; all that are not gentlemen born being taxed according to what they are supposed to be worth in lands, houses, industry, &c.

§ The *Aydes* or Aids signified at first any subsidy voluntarily granted by the subjects for the support of the government on extraordinary occasions. ’Tis now one of the five general farms of the revenue, and is appropriated chiefly to signify the Duties upon wine.

during

during the last war, the advanced prices likewise contributed to the same; but this is a case that proves for the most part of advantage to France. Thus the Author reasons at the end of what is quoted above: The page shews what goes before.

I don't well understand this fact, nor can I conceive how the case, as it is stated by the Author, can ever be advantageous to *France*. For if a *Frenchman*, instead of carrying those old Species to the Mint, shall transport them abroad, still he will have no more given him for them than their value; consequently there is no advanced price, on the contrary he allows Foreigners to share the profit which the King would have had, if his orders had been obeyed; but this profit can never be one, to the subject of *France*; 'tis only a diminution of his loss, which would have been greater, had he complied with the laws and edicts of his Prince: In this case therefore *France* reaps no advantage.

Perhaps by the advanced price the Author means the additional premium given by the King to particulars, who propose to carry old Specie to the Mints, or Bullion, to be there converted into new Specie\*: But this case is too much of a private nature to be here of any consideration.

In page 182 †, the Author closes his second Chapter thus: *We may say in general that the complaints of the people, about the circulating of light Money, regarded the disproportion in the lightness, or the excessive Duty of Seigniorage, and not the enhancement of the numerical value.*

The Duty of Seigniorage which the King takes upon the coinage of Money, whether great or small, or rather the *Traite* ‡, which is the general word for all the Duties and Fees that are laid upon coinage, diminishes the weight, and proportionally raises the numerical value of the new Specie; thus the complaints of the peo-

\* This is the very thing; the Author says so in his second edition, page 229.

† Page 179 of the second edition.

‡ See page 74, where this is explained.

ple could not respect the too high Duty of Seigniorage, or, the disproportion in the lightness of the Coins, any more than the enhancement of the numerical value, since the effect of both is exactly the same. Farther, if there was no enhancement of the numerical value of one Species more than another, there would have been no disproportion between them, nor consequently any Duty of Seigniorage. 'Tis therefore the raising the numerical value, or the making one lighter than another, that causes all the mischief, and gives rise to the complaints of the people, since, without that raising the numerical value, the disproportion or the too great Duty of Seigniorage would not subsist. We shall say a few words as to proportions.

We have four different proportions to be consider'd in Gold and Silver, *viz.*

I. Between the standard of each of those two metals.

II. Between the numerical value given to each of them wrought and not wrought.

III. Between those two metals wrought, that is to say, coined.

IV. Between those two metals not wrought, that is to say, in Bullion.

As our Author speaks only of an exact distribution or subdivision of the Lewidore or Crown-piece into its parts, and the exact knowledge of those proportions being of no less importance, I shall take leave to say a few words upon this by the by; I shall lay down the important principles which arise naturally from thence, and which I have not seen any where else.

## Of the Proportion in the Standard.

**T**HIS Proportion in the Standard of those two precious Metals, is of no less importance than the rest, and 'tis very dangerous to depart from it.

Gold and Silver more or less refined are distinguished by every body almost, under the denomination of *Higher or Lower Standard*, and estimated according to that Standard, which expresses their fineness or their intrinsic goodness; and they have different degrees of goodness or fineness assigned to them, to denote how much alloy, or what real value is in each of them.

To the purest and finest Gold are reckoned 24 degrees of goodness, which are called *Carats*, and the Carat is divided into 32 parts, which are called *Thirty-seconds*; thus the 24 Carats contain 768 *Thirty-seconds*.

Silver being neither so rare nor so precious as Gold, is only reckoned to have 12 degrees of goodness in that which is purest and most refined; these degrees are called *Pennyweights*, and each Pennyweight is divided into 24 parts called *Grains*. Thus the 12 Pennyweights consequently contain 288 Grains, whence I deduce these two fundamental principles.

## I.

*That the degrees wherewith we express the finest Gold, are to the degrees with which we express the finest Silver, as 768 is to 288, or as 8 is to 3; that is to say, the Thirty-seconds of Gold are to the grains of Silver as 8 is to 3.*

## II.

*That Gold and Silver may be exactly equal in fineness, and that the one may not be preferred to the other, 'tis necessary that whatever allays be given, the fine which remains of these metals, or the alloy that is added to them, be always*

*to one another in this proportion of 8 to 3, or of 3 to 8. If it were not so, the one of those metals would gain an advantage over the other, which would infallibly occasion a great demand for it, and consequently its transportation.*

### E X A M P L E.

**I**F an ingot of Gold weighed 24 marks or 24 ounces, and after having undergone the trials of the fire and aqua fortis, it weighs only 22 marks or ounces, we conclude that this Gold was in standard 22 carats; that thus it had lost two degrees of its internal goodness, since it contained a twelfth part of its weight of foreign metal, and that the 22 marks or ounces that remain, being thus purified or refined, consist of Gold at 24 carats.

In like manner, if a mass of Silver, weighing 12 marks or 12 ounces, after having gone through the furnace to separate all its foreign metal, weighs no more than 11 marks or 11 ounces: We say it was silver of the fineness of 11 pennyweight, which had lost a degree of its intrinsic goodness, by the mixture of a twelfth part of copper, since only 11 of pure or fine Silver remains, whence I draw this consequence.

*That Gold at 22 carats, and Silver at 11 pennyweight, are equal in fineness, purity or intrinsic goodness, each in its own kind, since both are at an equal distance from their highest degree of goodness, which distance is one twelfth, and that the 704 thirty-seconds, contained in the 22 carats, are to the 264 grains, contained in the 11 pennyweights of Silver, as 8 is to 3, conformable to the second principle. Thus these two metals are in the requisite proportion between their standard.*

When Princes have determined the standard of the Bullion, with which they will have their Monies to be coined, they then settle a price and value upon them, not according to their own fancy, nor at random, but in a way that is most favourable to their people, having  
regard



regard to the most common estimation of the value of those metals among the neighbouring nations, where their subjects have most commerce, in order to keep up an equal value in the Commodities wherewith we supply foreigners, and which we receive from them, and to maintain an exact proportion between the essential value of our Coins, and the course of exchange, the nature of which is always to express their just value.

For carrying on this commerce Silver is more in use and more convenient than Gold; for which reason the price of Gold is always regulated by that of Silver, with some difference in their proportion.

*Of the Proportion between Gold and Silver, coined and in Bullion, that is, wrought and unwrought.*

**I**N all the States of *Europe*, and even of the civilized world, their Coins are of Gold and Silver: But Gold being more rare, and more precious than Silver, every where a piece of gold Coin, weighing an ounce for example, buys and pays several pieces of silver Coin, weighing likewise each an ounce, and several pieces of silver Coin buy and pay a piece of gold-coin. Whence it follows,

### III.

*That 'tis the quantity of ounces, or of pieces of silver Coin, wherewith we can buy and pay an ounce, or a piece of gold Coin of the same standard, or of the same fineness with those of Silver, that determines the rate or proportion between Gold and Silver.*

### IV.

*That Gold and Silver having always been, every where, valued by one another, 'tis free to every body to pay what he buys in pieces of Gold, or in pieces of Silver, according to the rate and proportion received and observ'd in the State*

*where he buys, and according to the regulation of the Prince as to the current value of his Specie.*

'Tis from this choice which buyers have to pay in gold Specie, or in silver, and from the difference of *Proportion* observed by our neighbours in the exchanging of their Money for ours, spring the first cause of raising the value, or of greater demand for the one more than the other, and then of transporting that from whence most advantage is to be got into neighbouring States. Thus 'tis highly necessary to determine the *Proportion* between those two metals, with so much equality, that the numerical value of them both may have such a mutual proportion, that the one may not be preferred to the other, least that which is the lowest valued, should be carried out of the Kingdom, by the benefit which would be found in so doing. This article shews the proper source of the disorder or disproportion mentioned by our Author in his eleventh Chapter.

The *Proportion* between Gold and Silver is not the same in all States. Kings and Princes differ from one another in their laws and regulations; for which reason there are some countries where Gold is paid with a greater quantity of Silver, and in others with less.

Nor is this proportion always the same in the same State, 'tis the plenty or scarcity of the one or other of these two metals that determines the proportion; for 'tis both agreeable to reason and good policy, that the value of that which is most plentiful be lower'd, in order to draw in that which is wanting; but this should be done in such a way, as not to hurt commerce, nor the good of the State, and of private persons.

In *France*, since the edict of *January 1726*, the *Proportion* between Gold and Silver is about  $14 \frac{2}{3}$ ; if all the Silver in *France* is equal in value to the Gold, the quantity of the one must needs be  $14 \frac{2}{3}$  times more than that of the other; if there has been less Silver coined, then it will not be so plentiful as the Gold:

Whence

Whence it follows, that it would be necessary in that case to lower the value of Gold, or to raise that of Silver: But there is another cause of this scarcity of Silver in Coins; namely, that in *France* a great deal of Silver plate is made, and but little of Gold.

In order to have a regard to the value of Gold and Silver among our neighbours, 'tis necessary to have an exact knowledge of the present state of their Coins, and of the Proportion which they observe between their Gold and Silver, that we may regulate ours, so as not to allow one of those metals to have any advantage over the other.

States which keep a high Proportion, over-rate their gold Specie, and lower the Silver, with respect to the Specie of their neighbours who keep a lower Proportion: Whence it follows that

*The high Proportion makes Gold dear, and the Silver cheap.*

And on the contrary, they who observe a low Proportion, over-rate their silver species, and bring down their Gold, in Proportion to those of their neighbours who keep a higher Proportion: Whence it follows that

*Low Proportion makes Silver dear, and Gold cheap.*

In order to prove these two propositions, we suppose that in *England, Holland, Germany, Switzerland, Savoy*, and in *Spain*, the way of reckoning is, as in *France*, by Livres, Sols and Deniers; that pieces of Gold and Silver are coined there, of the same weight and standard as with ourselves; and that the following Proportions are there observed between Gold and Silver. The gold pieces will be worth, viz.

In *Spain*, where we suppose the Proportion of Gold to Silver to be 16 to 1, if the silver piece is there fix'd

G 4

at

at 3 Livres, that of Gold will there be 16 times 3 Livres, which make 48 Livres,

		<i>l.</i>	<i>l.</i>	<i>s.</i>	<i>d.</i>
In <i>Savoy</i> ,	14 $\frac{4}{3}$ times	3	44	8	
In <i>Switzerland</i>	15	3	45		
In <i>Germany</i> ,	15	3	45		
In <i>Holland</i> ,	14 $\frac{2}{3}$	3	44		
In <i>England</i> ,	14 $\frac{1}{3}$	3	43	16	
In <i>France</i> ,	14 $\frac{9}{13}$	3	43	8	5

This enumeration shews us with the highest evidence, that the States which observe a high Proportion between Gold and Silver, over-rate their gold pieces, and give them a higher value than those States do which keep a lower Proportion. *Spain*, which keeps the highest, makes the gold piece be worth 48 Livres, and *France*, which keeps the lowest, values it only at 43 Livres, 8 Sols, 5 Deniers: This is the proof of the first case as to Gold; that of the second with respect to Silver shall be illustrated by Crowns, which will be worth, *viz.*

In *Spain*, where the Proportion is supposed 16, if the gold piece gives there 48 Livres, the silver Crown will be worth 3 Livres. Thus,

		<i>l.</i>	<i>l.</i>	<i>s.</i>	<i>d.</i>
	16th of 48	3			
In <i>Savoy</i> ,	14 $\frac{4}{3}$	48	3	4	7 $\frac{1}{3}$
In <i>Switzerland</i> ,	15	48	3	4	
In <i>Germany</i>	15	48	3	4	
In <i>Holland</i> ,	14 $\frac{2}{3}$	48	3	5	5 $\frac{1}{3}$
In <i>England</i> ,	14 $\frac{1}{3}$	48	3	3	9 $\frac{2}{3}$
In <i>France</i>	14 $\frac{9}{13}$	48	3	6	3 $\frac{1}{13}$

These different values of the piece of Silver shew us plainly that the States which observe a low Proportion, over-

over-rate their silver Species, and lower their Gold; for *France*, which keeps the lowest, raises the numerical value of her silver Crown which she makes to be worth 3 Livres, 6 Sols,  $3\frac{1}{2}$  Deniers, and *Spain* which keeps the highest, values it only at 3 Livres; this is the proof of the second proposition.

From these differences of proportion infallibly arises the transportation of the cheapest metal from one State to another: After this 'tis easy to perceive that 'tis a matter of the highest importance to a State to examine with all possible precision so nice an article as this, in order to find out and determine the just proportion that ought to take effect in the rating of metals; and in fine, to fix an exact equilibrium, which will not give the one any preference to the other.

A great many other things might be said upon Money; but they belong not to my subject.

## ARTICLE IX.

*Wherein we take notice of some slight faults that occur in the seventeenth Chapter of the Book, which is the subject of these remarks, and there we say occasionally a few things as to the transportation of Money.*

WE are pretty well agreed as to the principles of exchange, and the transportation of Money into foreign countries: But here is a fault either of the Publisher or Printer. The Author is made to speak thus in page 247 \* of the Political Essay. ' We come next to the transportation of Money out of the Kingdom, which most people reckon pernicious. Do they think this transported Money is given away for nothing? If the ballance of trade is unequal, we have no other way of paying that ballance: If 'tis equal, the fo-

\* Page 257 and 258 of the second edition.

*'reigner becomes our Debtor, our tributary, and the exchange will always be advantageous to us.'*

The Author will give me leave to observe that he says not enough, when he tells us that if the ballance of commerce is *unequal* we can only pay it by the transportation of our Money; he supposes that we are owing that ballance; this is intelligible enough; but as the ballance may be unequal two ways, either when we owe foreigners, or when they owe us, the Author for the more clearness ought to have said, *when we are owing by the ballance of commerce, &c.* which makes the exchange against us.

The foreigner cannot be our Debtor and Tributary, but when he owes us by the ballance of commerce, which makes the exchange in our favour; for he never can be so, as the Author will have it, when the ballance is equal, because in that case neither party owes the other. There is a just compensation on both sides; this is the very thing that makes the equality of the ballance: In that case there is no transportation to be made, and the exchange is at par.

I don't believe the Author meant to say, that when the ballance is equal, the Money which we send over to foreigners makes them our Debtors, which in effect contributes to make the exchange advantageous to us; but so soon as the foreigner becomes our Debtor, the ballance is not equal; so that this cannot be what he meant.

As to the transportation of Money, the Author says no more than what I have just now quoted; and as I don't think that sufficient to convince those who look upon it to be destructive to their country, I shall endeavour to supply wherein he is deficient by illustrating this article a little more fully.

We would gladly draw into the Kingdom gold and silver bullion, and when we have got it, we make severe prohibitions against its being exported. Besides that this restraint is a great obstacle to our commerce, it is likewise attended with this injustice, that we will  
needs

needs be paid what is owing to us, and yet not pay what we ourselves owe.

The late *M. Law*, in page 40 says, that ‘ the prohibiting the exportation of Silver coined, or in Bullion, can have no other effect than that of making exchange rise in Proportion to the risks of transporting it. These risks may well be reckoned 3 per cent. thus this restraint causes our transported Commodities to be sold at 3 per cent. less than they would be, upon account of the inequality of exchange; and those which are imported 3 per cent. more upon account of prohibiting the exportation of Money.’

Money produces Money; it undergoes a perpetual flux and reflux, proper for commerce: By it all things are compensated and valued; the sole aim of the trader is to gain this metal; he never parts with it till the last extremity: All that is in the Kingdom is owing to his industry, and to his laborious application; when he imports it, he meets with favour, but his exporting it is reputed a crime against the State: And yet the State suffers no prejudice by it.

When a trader sends Specie out of the Kingdom, 'tis for his own proper account, or for the account of a foreigner, to whom it belongs. If 'tis for his own proper account, he does not give it away; 'tis in the full assurance of making a considerable profit thereby, and for the most part that profit is made before the Money is exported, because the value was drawn from the foreign country before it was transmitted thither.

If 'tis for the account of a foreigner, to whom the Money belongs, 'tis unjust to detain it; 'tis in hope of improving it by a return of advantageous exchange that he imports it, and when he does not find it for his interest to carry on that exchange, because of some considerable alteration that has happened in the interval, (as is common enough) he orders his effects to be remitted to him in kind. 'Tis this liberty that draws into *Holland* all the Money in *Europe*, and makes it center there.

We

We will needs have exchange to be practised among us, for paying our debts, and carrying on commerce, as if exchange consisted merely in a bill: But he who draws letters of exchange must have a fund of credit in the foreigner's hands. He who is owing money has recourse to that fund, or that value, in every trading country, before he exports his Money, and when he finds none, the transportation is inevitable: Either he must be declared bankrupt, while his coffers are full of Money, or run the hazard of losing his life; a hard alternative!

It would therefore be much better to lay a Duty upon exportation, than to prohibit it to no purpose, and under such severe penalties, or than to consume these precious metals ourselves in gildings and embroideries, whereof hardly any thing is saved.

The laws against exporting Money have always been, and ever will be ineffectual, however strict an eye be kept upon it: Nor indeed do we ever see any body taken up or punished for having contravened those laws. 'Tis however certain, that a great deal of Specie goes out of the Kingdom, since we see abundance of it among foreigners: There are a thousand places in a ship for concealing Money, that it shall be impossible to discover, unless the ship be taken to pieces, which is a thing impracticable; 'tis also impossible to find it in packets of goods, in casks or barrels, where it may be concealed with the commodities that are exported, unless some sure and particular information thereof be given: For in order to a discovery there would be a necessity of staving and unpacking all, which is a thing not to be done, otherwise it would be the absolute ruin of commerce. These laws or prohibitions, are only useful with relation to travellers; and even with respect to them they can be but imperfectly executed: As to Merchants they are almost useless, by reason of the difficulty of putting them in execution. When the thing is well considered, it will appear that there is but one method to prevent the exportation of Gold and Silver, which



which requires neither laws nor guards, nor searches. 'Tis to take such measures that foreigners may export more of our Commodities, Arts and Manufactures, than what we import of theirs, so as at the end of the year they may be in our debt, by the ballance of commerce. In that case they must necessarily pay us that ballance in Specie, or in ingots of gold and silver Bullion, which they cannot discharge in goods: By this means our Money will not only be kept at home, but we will undoubtedly drain that of foreigners.

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## C H A P. II.

*Wherein we examine, whether the raising of Money has really been advantageous to our Kings and People.*

### A R T I C L E I.

*Whether this rise of Money produced the same encrease and rise in the leases of lands, and in all sorts of commodities.*

THE Author, in the 210 page of the book, which we are remarking upon, delivers himself thus\*: "The advancement or rise of the numerical value of Money could not fail to produce, and actually did produce the same advancement and rise in the leases of lands, and in all sorts of merchandize: Thus the land, which in the time of St. Lewis was let out at an hundred Livres, thirty eight Marks of Silver, will now be farmed for about nineteen hundred Livres weight for weight."

I shall here give you the late M. de Boulainvilliers's sentiments, as they are delivered in his twelfth letter

\* Page 202 and 203 of the second edition.

upon the Estates General, and Parliaments, with relation to the raising the value of Money: He in a manner answers our Author.

“ The raising the value of Money, and the different  
 “ estimation of the Coin had so impaired the product  
 “ of Fees, that instead of a full subsistence which they  
 “ afforded before to their possessors, whereby they were  
 “ enabled according to their engagements to furnish  
 “ troops to the Crown, they were diminished more than  
 “ three fourths of their primitive value. This may easily  
 “ be demonstrated, by observing that at the time of  
 “ the declension of the second race of our Kings, when  
 “ the rent charges were converted into Money, the  
 “ pound weight of Silver was valued at 17, 18 and  
 “ 20 Sols: Whence it follows, that the land made  
 “ over to a vassal for paying one Sol, yielded to the  
 “ superior Lord at least the twentieth part of a pound  
 “ of Silver, and so in proportion as the infeoffment  
 “ was higher or lower; but when afterwards the Sol  
 “ became a denomination that had no fix’d relation to  
 “ the weight of Silver, and when the mark or half  
 “ pound of the same metal had risen to 50 Sols, the  
 “ rent charge of one Sol was then brought down to  
 “ the hundredth part of a pound; and therefore, at  
 “ the time of *St. Lewis*, the value of pecuniary infeoff-  
 “ ments was already reduced to the fifth of what  
 “ it was at first; that is to say, 5 Sols in the time of  
 “ *St. Lewis* were only worth one of the former time;  
 “ whence it follows, that the fall was still incompara-  
 “ bly greater under the reign of *Charles VII.* since the  
 “ mark of Silver having risen to 7 Livres 10 Sols  
 “ *anno* 1440, and consequently the pound to 15  
 “ Livres, it required 15 Sols of that time to equal the  
 “ value of one Sol at the time of the former infeoff-  
 “ ments: A prodigious fall; and which must needs  
 “ give us a strange idea of the Nation, even with rela-  
 “ tion to its plainest interest: For any one is capable to  
 “ judge, how easy a matter it was to raise the pecuniary  
 “ duties in proportion as Money had been raised.”

Were

Were we to carry this examination so far as to make an estimate of the present loss upon the foot of the rise of Money, it would be found that when the mark of Silver is at present, *June 1735.* at 50 Livres, and consequently the Pound of that Metal at 100 Livres; it would be found, I say, that the Sol of rent charge, which ought to be the twentieth part of the Pound of Silver, and which was actually so at first, is at present but the two thousandth part of it; which would hardly appear credible, if the smallest calculation did not give an invincible demonstration of it. We need not therefore be surprized, if in the time of *Charles VII.* the Lords were found incapable by means of their feudal tenures to furnish troops to the Crown, and if at present they cannot so much as have a subsistence by them.

According to M. *Boulainvilliers*, the rent charges, or the Money duties, had not risen in proportion to the Money: This being evident, we may say that the land, the total or part of whose revenue consists in Money duty, which at the time of *St. Lewis* was let out at 100 Livres, is not farmed at 2000 at this day, as it ought to be. Therefore 'tis not true to say, speaking in general and without exception, *that the advancement or rise of the value of Money has produced the same advancement and rise in the leases of lands, and in all sorts of Merchandize*, as our Author says.

He concludes his fifteenth chapter with these words:

*\* And as from all that we have now said, we see the King receives more in tale, † this additional pay || becomes a thing indifferent, and the raising the numerical value continues still to be advantageous to the King and People as Debtors.*

\* Page 208 of the second edition.

† The Specie being raised, is what the Author would seem to mean.

|| That is to say, the additional expence occasioned by the rise of the Specie. This, as I take it, is what the Author intends by his additional pay.

If

If the Author be in the right, *Lewis XV.* our present Monarch, receiving more in tale than any of his predecessors, ought to be a great deal richer than any of them; otherwise the raising the numerical value would be disadvantageous to him, and to the people as Debtors.

To find out the truth of this fact, which is as important as it is curious and interesting, I shall compare the revenues of *Lewis XV.* with those of *Lewis XII. Francis I. Henry II. Francis II. and Henry III.* having a regard to the dominions possessed by each of those Kings, and to those which *Lewis XV.* possesses at this day; to the charges of each of those Monarchs, and to the prices of commodities under each of their reigns. 'Tis certain he who with his revenue may purchase most commodities at the rates of his own time, will be the richest. Thus, if from the result of those comparisons we find *Lewis XV.* richer than his predecessors, we shall say with our Author, that *the raising the numerical value of Money is advantageous to him*: But if, on the contrary, we find him less rich with all his greater Sums in tale, we shall say that this enhancement of the numerical value has been disadvantageous to him; that it has not produced the same advancement and rise in the leases of lands, &c. and that the encrease of expence, occasioned by the raising the value of the Specie, and the price of Commodities, has not been a thing so indifferent to his Majesty, as the Author will have it to be in page 217 of the *Political Essay upon Commerce*.

## ARTICLE II.

*Comparison of the revenues of Lewis XII. with those of Lewis XV.*

**B**Y the computation which I have made from a stated account which is in the third book of *the Secret of the Finances*, by *Fromenteau*, printed in octavo in 1581. and which, he says, he had drawn up by order

der of the Estates General assembled at *Blois* in 1576, and at *Paris* in 1580, from the Accounts of the Treasurers General of the Finances; from the extracts taken from the *Chamber of Accounts*; from the registers of comptrol\*, and accounts of the farms of the revenue; from the commissaries warrants, modifying the particular sums levy'd on each province, and † Generality of the kingdom; and lastly, from the accompts and papers which were at that time in the archives of the the several town-houses, which kept a register of the distribution of the taxes mention'd in that stated accompt which *Fromenteau* laid before the King on the first of *January* 1581. From thence, I say, it appears, that during the reign of *Lewis XII.* which begun *April* 6. 1498, and ended the first of *January* 1515, there was levy'd upon the subjects of this kingdom, during the sixteen years, eight months, and twenty-four days of his reign, a sum of 306,667,116 livres, whereof the particulars are as follows, viz.

	<i>l.</i>	<i>s.</i>	<i>d.</i>
<i>Of the Domain</i>	13,407,000	0	0
<i>Upon the second and third Estate</i>	291,358,616	0	0
<i>And upon the Clergy</i>	1,901,500	0	0
<hr/>			
<i>There was levy'd therefore during the 16 years, 8 months, 24 days</i>	306,667,116	0	0
<i>That is, for each of the said years</i>	13,439,594	14	4
<hr/>			

\* A register where all deeds betwixt private persons, as well as those relating to the Finances, must be enter'd, upon paying a duty to the King.

† *France* is divided into 25 Generalities, 19 in the *Pays d' Elections*, and 6 in the *Pays d' Etats*; in each of these is an Intendant of Justice, or Commissary, who receives from the Court a state of what tax is to be laid on each Election.

According to this account, *Lewis XII.* levy'd upon his subjects *communibus annis*, 13,439,594 Livres 14 Sols 4 Deniers.

But if the late *M. de Sully* be in the right, and the revenues of that Prince were only 7,650,000 Livres, as he says in his *Oeconomies Royales*, Tom. 2. page 687. of the *Amsterdam* edition in folio, we must believe that at that time all that the Subject paid did not come into the King's Coffers. This fact will not appear surprising to those who have seen, or who will look into the Speech made by *d'Effiat*, Superintendant of the Finances in 1626, to the select Assembly of the representatives of the three Estates \*. The † *Tailles* of that time amounted to near 19 Millions every year, whereof there came into the Exchequer only 6 Millions.

According to the account which we have now given, *Lewis XII.* had 13,439,594 Livres 14 Sols 4 Deniers of revenue, *communibus annis*; and according to the Duke of *Sully*, there came into that Prince's coffers only 7,650,000 Livres. As we are willing to lean to the most moderate side, rather than to the other extreme, we shall rely upon what *M. de Sully* says.

According to the Abbé of *St. Peter*, in his *political works* ‡, the revenues of *Lewis XV.* in 1730, and the following years, were 190 Millions of Livres: The particulars, however, which, he says, make up that sum, amount only to 187,399,090 Livres, whereof 'tis proper to diminish 5 Millions for the fiftieth suppress'd: Thus there remain'd for the King's revenues only 182,399,090 Livres. But in order, all along, to favour the scheme of the Author of *the Political Essay upon Commerce*, let us reckon them 200,000,000 Livres.

\* Called *l'Assemblée des Notables*.

† *French Mercury*, Vol. XII. p. 805 and 806.

‡ Tom. 8. p. 10-



*Lewis XII.* had none of these charges to pay, without reckoning the \**Tontines* and other expences which I omit, and which I am not acquainted with, which so far diminish the revenues of *Lewis XV.* Thus we may say, that his revenues reduced nearly to the same charges, and to the same dominions which *Lewis XII.* had, don't exceed 95 millions; but in order to give all favour to the Author of the *Political Essay*, let us reckon upon 100 millions.

It cannot be said that we must diminish nothing of the revenues, since in order to compare two things together, they must be of the same kind or of the same denomination: For which reason I was necessitated to reduce the revenues of *Lewis XV.* nearly to the same state, with those of *Lewis XII.* by taking away or reducing from the first, not only the product of the Dominions which *Lewis XII.* had not, but also the charges which *Lewis XV.* pays over and above those which were paid by *Lewis XII.* Besides, I reckon upon no more of the revenues of *Lewis XII.* than what came into his coffers, whereas I don't make any such deduction in those of *Lewis XV.*

In this state of the case, the question is whether *Lewis XV.* with 100 millions is at this day richer than *Lewis XII.* was with 7,650,000 Livres. To find out this we must have recourse to the prices of Commodities under each of those reigns; and he who with his revenue may have most Commodities at the rates of his own time, will undoubtedly be the richest.

I find in the answer of *John Bodin* to the paradox of *Malestroit* upon the rise of the prices of every Commodity, page 11 and 12.

\* Among other methods of raising Money, *Lewis XIV.* had recourse to a kind of lottery, by which he raised a fund of 14 millions of Livres; they who had shares in this lottery were distributed into so many classes according to their ages, and had proportional annuities settled upon them; when one died, his annuity was divided among the surviving members of his class, and the longest liver was heir to the whole. This lottery was called *Tontine* from one *Tonti* of *Naples*, the inventor of it.

That



	s.	d.
<i>That in the year 1508, by the laws regulating the prices of the market at Auvergne, the fat Weather with its wool is fixed at</i>	5	00
<i>The Kid at</i>	1	6
<i>The Hen at</i>	0	6
<i>The Coney or Rabbit at</i>	0	10
<i>The Gosling at</i>	0	6
<i>The Calf at</i>	5	0
<i>The Hog at</i>	0	10
<i>The Peacock at</i>	2	0
<i>The Pheasant at</i>	1	8
<i>The Pigeon at</i>	0	1
<i>The load of Hay of 5 Quintals * at</i>	15	0
<i>The hire of a Day-labourer in Summer</i>	0	6
<i>In Winter</i>	0	4
<i>Ox-carriage in Winter</i>	1	0
<i>In the Province of Bourbon, the load of 12 Quintals of Hay is prized by the 555th article of the book of Rates only at</i>	10	0
<i>And in meadow</i>	5	0
<i>By the book of rates of Troyes † in Champagne the Setier of the best wheat, of Troyes measure is estimated only at</i>	20	0
<i>The Rye at</i>	10	0
<i>The Oats at</i>	5	0
<i>The Barley at</i>	7	0
<i>A Day's work of a man</i>	1	0
<i>That of a Woman</i>	0	6

*Bodin does not say in what year things were thus rated at Troyes. As he speaks of them immediately after that of the market, March 1521, we may reckon it to have been in the same year; he seems however to limit us to the year 1507, or 1508, by these words: Malestroit, says Bodin, cannot say, but that within these*

\* A quintal is near 100 weight.

† The Setier is a measure of sixteen bushels, weighing 560 pounds, and it is worth, at present, between 20 and 24 Livres, according to the answer that has been given me which is below p. 104.

60 years past every thing has risen in its price at least ten times as much. Now Malestroit laid his paradoxes before Charles IX, in the month of March 1566. Bodin could not have wrote his answer to him sooner than the year 1567, or 1568, which is the year when it was printed: Thus 60 years before must fall either upon the year 1507 or 1508. And this accordingly will be the year when those prices of things at Troyes were regulated. The Author of *Denier Royal*, page 92, says it even of the year 1500.

Again Bodin says page 47 and 48, *That the States and Deputies for regulating the rates of provisions, neither followed the highest nor the lowest, but what was the most common estimation at that time, as our laws inform us; and at present the price of a Capon is fixed only at 12 Deniers by all the Books of rates of Anjou, Poictou, La Marche, Bourbonnois, and elsewhere, viz.*

	s.	d.
<i>The Capon at</i> _____	1	0
<i>The Hen</i> _____	0	6
<i>The Partridge</i> _____	1	3
<i>The fatted Weather with its wool</i> _____	7	0
<i>The Hog</i> _____	0	10
<i>An ordinary Weather</i> _____	5	0
<i>An ordinary Calf</i> _____	5	0
<i>The Kid</i> _____	3	0
<i>The load of Hay, weighing 15 quintals</i> —	10	0
<i>which make 10 bottles, at a Sol the bottle, weighing 15 pounds, these are the stated prices for Auvergne, says Bodin; and as he goes on he assures us that in Bourbonnois the 12 quintals were estimated</i>		
<i>The Tun of Wine</i> _____	30	0
<i>The Tun of Honey</i> _____	35	0
<i>The Arpent * of ground cover'd with Forest trees</i> }	2	6

\* About 100 perches square.

	s.	d.
<i>The same space of ground covered with Vines,</i>		
<i>the rent</i>	30	0
<i>The Pound of Butter</i> _____	0	4
<i>The Pound of Oil of Nuts</i> _____	0	4
<i>The Pound of Tallow</i> _____	0	4

*This was in the time of Lewis XII. as I have said above, adds Bodin.*

In the month of March 1735, I caused write to *Auvergne, Bourbonnois and Champagne*, to know what the common prices of these Commodities are at present, and the answer which I received from each of those Provinces is conformable to the following detail for *Auvergne*: viz.

	Prices under <i>Lewis XII.</i> in 1508.		Prices under <i>Lewis XV.</i> in 1735.	
	s.	d.	Livres	Sols.
<i>Fat Weathers with the wool</i>	7	00	10	
<i>Common Mutton</i> _____	5	00	5	10
<i>The Calf</i> _____	5	00	9	
<i>The Hog 10 Deniers, but I</i>	10	00	25 to 35	
<i>state it at</i>				
<i>The Capon</i> _____	1	00		12
<i>The Hen</i> _____	0	6		6
<i>The Pigeon</i> _____	0	1		3
<i>The Kid</i> _____	1	6		15
<i>The Rabbit</i> _____	0	10		12
<i>The 100 bottles of Hay of 15</i>	10	00	7	10
<i>pound</i>				
<i>A Day's labour in Summer</i> _____	0	6		12
<i>Ditto in Winter</i> _____	0	4		6
<i>The load of Wheat weighing</i>	20	00	12	
<i>240 pounds</i>				
	61	09	72	6

Here

Here then we see that in the year 1508, what cost in *Auvergne* but 61 Sols 9 Deniers, would cost there at this day 72 Livres 6 Sols, or 1446 Sols, that is to say  $23\frac{1}{3}$  times more than in 1508. Let us see in *Champagne*.

	Prices under <i>Lewis XII.</i> in 1508.		Prices under <i>Lewis XV.</i> in 1735.	
	s.	d.	l.	s.
<i>The Setier of the best wheat</i>	20	0	22	0
<i>weighing 560 pounds was valu-</i>				
<i>ed there at</i>				
<i>The Setier of Rye</i> —————	10	0	12	0
<i>The Setier of Oats</i> —————	5	0	7	4
<i>Day's labour of a Man</i> ———	1	0	0	18
	36	0	42	2

What cost in *Champagne* 36 Sols, *Anno* 1508, would cost there now 42 Livres 2 Sols, or 842 Sols, that is to say, upwards of  $23\frac{1}{3}$  times more than in 1508.

#### IN BOURBONNOIS,

	Prices under <i>Lewis XII.</i> in 1508.		Prices under <i>Lewis XV.</i> in 1735.	
	s.	d.	l.	s.
<i>The Load of Hay of 12 quintals</i>	10	0	10	0
<i>The Tun of Wine</i> —————	30	0	50	0
<i>The Arpent of Wood</i> —————	2	6	1	0
<i>The Arpent of Vine</i> —————	30	0	12	0
<i>The Pound of Butter</i> —————	0	4		10
<i>The Pound of Nut-Oil</i> ———	0	4		7
<i>The Pound of Tallow</i> —————	0	4		6
	73	6	74	3

What

What cost in *Bourbonnois*, Anno 1508, 73 Sols 6 Deniers, would cost there now 74 Livres 3 Sols, or 1483 Sols, that is upwards of 20 times more than in 1508.

From the result of these three particulars, I form a general and mean price in this manner :

		Prices.	
		In 1508.	In 1735.
		s. d.	s.
<i>In Auvergne</i>	_____	61 9	1446
<i>In Champagne</i>	_____	36 0	842
<i>And in Bourbonnois</i>	_____	73 6	1483
		171 3	3771

I may therefore say that what cost 171 Sols 3 Deniers under *Lewis XII.* in 1508, would cost at this day under *Lewis XV.* in 1735, 3771 Sols, that is more than 22 to 1 ; that is to say, since that time Commodities have risen from 1 to 22, and more ; whence it plainly follows, that all things being equal, *Lewis XV.* in order to bear the same expence that *Lewis XII.* did, ought to have upwards of 22 times the revenue that *Lewis XII.* had. Now that revenue was at least 7,650,000 Livres, twenty-two times that Sum makes 168,300,000 Livres ; therefore *Lewis XV.* in order to be as rich as *Lewis XII.* was in 1508, ought to have, all things being equal, a revenue of 168,300,000 Livres. We have however seen above that the present revenue of *Lewis XV.* reduced nearly to the same Dominions and Charges which *Lewis XII.* had, is at most but 100 millions : Whence we may conclude that *Lewis XV.* considering what he has to give out is not so rich with 200 millions of revenue as *Lewis XII.* was with 7,650,000 *l.* since it requires 68,300,000 Livres above

above 100 millions to enable *Lewis XV.* to purchase the same quantity of Commodities of his time, as *Lewis XII.* had, or might have had, at the prices of his time, with his lower revenue of 7,650,000 Livres.

Perhaps I shall be told, that if Commodities have risen, the rent of lands has also risen. That is true: But they have not risen in the same proportion with Commodities, as we have proved above, and this is what produces the difference which we see between the revenues of those two Monarchs. For there would be no difference between them, had the rents of lands risen in proportion to commodities; which is conformable to the consequence that is above, *Article 7. page 60.* and to the 7, 12, and 14th articles of the conclusion below. This destroys the objection.

Let us make the same calculation by the weight of the Specie. The 7,650,000 Livres of *Lewis XII.* at the rate of  $130 \frac{1}{2}$  Livres, the mark of fine Gold, make 58,770  $\frac{2}{3}$  marks; and as the same mark of fine Gold is at this day fix'd at 740 Livres 9 Sols 1 Denier, it follows, that 1 Livre in the time of *Lewis XII.* is worth at present  $5 \frac{1}{4}$ . Now Commodities having risen from 1 to 22, and the Specie from 1 to  $5 \frac{1}{4}$ , it likewise follows, that Commodities have risen  $3 \frac{2}{3}$  times more than the Specie; that is to say, what cost a Mark at that time, would cost  $3 \frac{2}{3}$  at this day. Upon this foot, the 58,770  $\frac{2}{3}$  Marks of fine Gold, which *Lewis XII.* received annually, are equivalent to 227,333  $\frac{1}{3}$  Marks of our time.

The 100 Millions which *Lewis XV.* enjoys at the rate of 740 Livres 9 Sols 1 Denier the Mark of fine Gold, the price at which it is fixed by the Tarif, make 162,474 Marks. Therefore *Lewis XV.* considering his charges, is at this day less rich than *Lewis XII.* was, by 64,859  $\frac{1}{3}$  Marks of fine Gold, with regard to the value of Commodities under each of those two reigns, to the raising the numerical value of Money, and to the Dominions possess'd by each of those two Monarchs.

*Proof*

*Proof of this Calculation.*

**I** Find in the *Denier Royal*, p. 257, a proof of the justness of my Calculation. The Author tells us, *that in the year 1509, a settlement of rent was made in wheat-grain, at the rate of 10 Sols the Setier.* Now 10 Sols at that time were worth  $56\frac{2}{3}$  of the present Money, and the Setier of grain is now worth 12 Livres; that is to say, 4 times  $\frac{1}{3}$  more Money than under *Lewis XII.* for the same quantity of grain: Accordingly, my Calculation resulting from the price of Commodities, giving us  $3\frac{2}{3}$ , is not too high, since we find here it amounts to  $4\frac{1}{3}$ .

We may therefore say with certainty, that the King's revenues not having risen since *Lewis XII.* in the proportion of Commodities, which is that of 1 to 22, and his charges having risen considerably, *Lewis XV.* with 200 Millions of revenue in tale, is less rich than *Lewis XII.* was with a smaller tale of 7,650,000 Livres.

We may likewise say, that *Lewis XII.* enjoy'd 168 Millions 300,000 Livres of the present Money, since, in order to pay him 7,650,000 Livres, his subjects were obliged to sell the same quantity of commodities at 171 Sols 3 Deniers of that time, as would sell at this day for 3771 Sols of our present Money, in order to pay that sum of 168,300,000 Livres. Accordingly, they among whom *Lewis XII.* distributed 7,650,000 Livres, could purchase the same quantity of necessaries, as they could now to whom *Lewis XV.* distributed 168 Millions 300,000 Livres, since what was only worth 1 at that time, is now worth 22.

## ARTICLE III.

*Comparison of the revenues of Francis I. with those of Lewis XV.*

**F**RANCIS I. according to the Author of the *Treatise of the merit and great reach of those whom we call expert in the Finances*, inserted in the *Narrative of France*. Part I. p. 144. had sixteen Millions of revenue, all things being fifteen or sixteen times cheaper than at present. And in Part I. chap. 6. p. 43. He says, Francis I. had sixteen Millions of tribute regulated in his Kingdom, whereof he left the quiet possession to his successor, though he possessed a fifth less dominions than the grand Monarch who now reigns\*. And p. 44. All things were but at a fifteenth part of the price they are now: We need but cast our eyes upon the printed regulations of the Courts of Police in those times, and we shall see that the corn is appreciated at 20 Sols the setier Paris measure.

This Author gives Francis I. 16 Millions of revenue; but the Duke of Sully, who was very capable of knowing it accurately, allows him only fifteen Millions 730,000-Livres: This is the account that we shall follow.

Under that reign the Mark of fine Gold was valued at 165 Livres 7 Sols 6 Deniers; it is now valued by the *Tarif* at 740 Livres 9 Sols 1 Denier. Thus 1 Livre of that time is worth 4 Livres 9 Sols 6 Deniers of the present, or  $4\frac{1}{2}$ ; that is to say, the Species of that time are to those of the present, as 1 is to  $4\frac{1}{2}$ , or nearly  $4\frac{1}{2}$ ; and the commodities being as 1 is to 15, according to what we have seen, it follows, that under Francis I. a Mark of fine Gold went as far as  $3\frac{1}{5}$  Marks of the same would go now.

Now commodities, at the time when the Author of the *Narrative of France* wrote, being in the proportion of 1 to 15, it is plain, that the 15 Mil-

\* It was Lewis XIV.



lions 730,000 Livres, the revenue of *Francis I.* went as far in his time as 15 times 15,730,000 Livres, which make 235,950,000 Livres, nay as 283,140,000 will go now; for adding to those 235 Millions 950,000 Livres, their fifth, for the enlargement of the *French* dominions since that time, we have that sum of 283,140,000 Livres, which represents what the annual revenue of *Lewis XV.* ought to be at this day, to enable him to bear the expences which *Francis I.* did with his 15,730,000 Livres. Thus it is evident, that that Monarch was a great deal richer with that low revenue, than *Lewis XV.* is at this day with a revenue of 200 Millions; and yet from those 200 Millions there is to be a deduction of several charges which *Francis I.* had nothing to do with.

*At the death of that Prince there were not 30000 Livres of annuities upon the Hotel de Ville, because the first grant of them, given in 1522, was redeem'd and paid in ready money in 1547. and Lewis XV. has at this day to pay, the salaries of the pay-masters included, the sum of 41,500,000 Livres, as we have seen in the preceding article; that is, more than Francis I. by*

41,500,000

*For comptrolling the Acts of the Notaries—1,350,000*  
*The salaries of the officers of the Mints — 300,000*  
*To the forty farmers general ——— 2,416,000*

*These make ———— 45,566,000*

Not including the profits of places and offices, and such other charges as I am a stranger to, which *Lewis XV.* has to pay, and *Francis I.* had nothing to do with; these 45 Millions, 566,000 Livres alone being deduced from 200 Millions, the present revenue of *Lewis XV.* leave only a remainder of 154,434,000 Livres. Now, in order to be as rich as *Francis I.*

*Francis I.* he ought to have 283 Millions 140,000 Livres, as we have just now seen: Therefore he is inferior to him in riches by 128,706,000 Livres.

By the weight of the Specie, the 15,730,000 Livres, which was the revenue of *Francis I.* at 165 Livres 7 Sols 6 Deniers the Mark of Gold, amounted to no less than 95,117  $\frac{4}{11}$  Marks, which that Prince received; and as in his time a Mark went as far as 3  $\frac{7}{8}$  can do now-a-days, these 95,117  $\frac{4}{11}$  Marks are equivalent to 318,642  $\frac{2}{3}$  Marks; to which adding the fifth of this sum for the additional dominions, now united to the Crown since *Francis I.* we have 382,379  $\frac{2}{3}$  Marks of standard Gold, which is what *Lewis XV.* ought to receive every year, to be able to bear the same expence at present as *Francis I.* did then.

Now *Lewis XV.* receiving annually but 154,434,000 Livres, which at 740 Livres 9 Sols 1 Denier the Mark of Gold, make only 208,567  $\frac{1}{16}$  Marks, it follows, that his Majesty receives every year a sum equivalent to 173,811  $\frac{1}{4}$  Marks of Gold less than *Francis I.* Thus he is inferior to him in riches, though he has a great deal more revenue in tale.

It is therefore evident, that the 15,730,000 Livres which *Francis I.* enjoy'd, furnish'd him as much as 235,950,000 Livres can do at present to *Lewis XV.* And if *Francis I.* had enjoy'd the dominions that have been united to the Crown since his time, he would have had a revenue amounting to 283,140,000 Livres of our present Money. This fact is true in its whole extent, since, in order to furnish out 15,730,000 Livres to *Francis I.* his subjects must have sold the same quantity of commodities which must be sold now, to pay 235,950,000 Livres, nay, 283,140,000 Livres. Accordingly, we may reckon him to have enjoy'd this sum. The fact will appear unquestionable to any one, who will take a view of the transactions of that reign. During the whole course of it, all the Powers in Europe conspired to ruin his Kingdom, and all those Powers were not subject to different Princes as at present,

sent, they were in subjection only to one or two heads, to the Emperor *Charles V.* and to his Brother *Ferdinand*, King of *Hungary*. *England* join'd in the same league; so did the Pope and the *Venetians*; the *Swiss* too declared War against him. Notwithstanding all this opposition, he lost not one inch of ground; on the contrary, he enlarg'd his domain, especially in *Italy*; we may say, he would even have conquer'd the Countries of his enemies, who were unable to stand before him with open force, had they not corrupted against him, not only a Prince of his blood, and his principal officers, but even his privy-council, which was the sole cause of his losing the battle of *Pavia*, Liberty, the Dutchy of *Milan*, the Kingdom of *Naples*, and perhaps the Empire.

So far were so many enemies from making him retrench his expence, that never had any Prince been more magnificent than he, whether in buying precious moveables, or in the building of stately palaces. Besides, he restored learning to his Kingdom, and not only so, but to all *Europe*. He was at great charges to bring into *France* all the ingenious men in every sort of science, and settled large salaries upon them. Two years before his death, he fitted out a fleet of 200 Sail, where-with he ravaged the coasts of *England*; and so far was *Francis I.* from being loaded with debt\*, that he left at his death, in the year 1547, four Millions of the then current Money, which amount to near 18 of ours; and to 60, if we consider the price of commodities to have risen in the proportion of 1 to 15. A famous Historian says, there were found after the death of that Prince, 400,000 Crowns of Gold, besides the fourth part of his revenues which had not yet been collected†. These gold Crowns were  $71 \frac{1}{2}$  to the Mark, and 23 Carats of standard Gold: They were therefore worth about ten Livres of our present Money, that is to say, 4,000,000 Livres in all.

\* *Narrative of France*, chap. 6. Part II. p. 47. and preceding.

† *Tibaut's History*, Vol. I. l. 3. p. 182 of the last French Translation; or p. 153 of *Du Rier's Translation in Folio*.

## ARTICLE IV.

*Comparison of the revenues of Henry II. and of Francis II. with those of Lewis XV.*

UNDER Henry II. and Francis II. things were much upon the same foot as to the revenue and commodities, I find in the *Narrative of France*, ch. 2. of the *Treatise of the nature, culture, commerce and produce of grains*, that by a statute of Henry II. of the year 1549, the pair of shoes which are now worth 5 Livres, was fixed at 5 Sols.

		Prices	
		In 1549.	In 1735.
		s. d.	s.
The Pair of Shoes at	_____	5 0	100
The Hare	_____	0 6	30
The Partridge	_____	0 6	20
And in 1550 the Septier of } Corn, communibus Annis was }		26 0	240
		26 0	390

What was got for 26 Sols in 1549, is valued at 390 in this present year 1735, which is exactly as 1 to 15.

According to the Author of *Denier Royal*, p. 138 and 270, the revenues of Henry II. were 18 Millions.

Now commodities being in the proportion of 1 to 15, those 18 Millions are equivalent to 270 Millions of the present Money; and if to this sum we join the fifth part of the same for the dominions added to the Crown since that time, we shall have 324 Millions, the revenue that Lewis XV. ought to have, to be able to bear

bear the same expences that *Henry II.* did with his revenue of 18 Millions. But *Lewis XV.* has only 200 Millions, when all is included : Therefore he is not so rich as the other by 124 Millions, or the equivalent.

At the beginning of *Henry* the second's reign, the Mark of Gold was worth 165 Livres 7 Sols 6 Deniers, as under the preceding reign ; but from the year 1549 to 1561, it rose to 172 Livres. Upon this foot *Henry II.* received yearly 104 thousand 651 Marks of Gold : The Mark of Gold is now worth 740 Livres 9 Sols 1 Denier. Thus one Livre of that time is worth  $4\frac{4}{5}$  of the present : The Species of that time are therefore to those of the present as 1 is to  $4\frac{4}{5}$ , and commodities being as 1 to 15 ; it follows, that a Mark of Gold of that time is equivalent to  $3\frac{1}{3}$  Marks of Gold now. Accordingly the above 104,651 Marks are equivalent to 372,557  $\frac{1}{3}$  Marks ; to which adding their fifth for the additional dominions now united to the Crown, we shall have 447,069  $\frac{2}{3}$  Marks of Gold. Now *Lewis XV.* receives yearly no more than 208,134  $\frac{1}{5}$  Marks : Therefore *Henry II.* and *Francis II.* received the equivalent of 238,934  $\frac{1}{3}$  Marks of Gold more than *Lewis XV.* receives at this day.

## CHARLES IX.

I have no account of the prices of Commodities under that reign : Thus I cannot compare his revenue with that of our present Monarch.

## ARTICLE V.

*Comparison of the revenue of Henry III. with that of Lewis XV.*

THE Author of the *History of the last Civil Wars of France*, printed at Lyons, Anno 1576 in 8vo. p. 57, tells us, that *Henry III.* had a revenue

I of

of ten Millions of Gold; that is, ten Millions of gold Crowns, at 23 Carats standard of  $72\frac{1}{2}$  to the Mark, which made 30 Millions of Livres in 1576, and 32 Millions 500,000 Livres in the month of June 1577.

The Author of the *Narrative of France*, printed in 12°. Anno 1712, says that Henry III. had in 1582 32 Millions of revenue.

*Mezeray*, in his large history, p. 310, of *Guillemot's* Edition, says, under the year 1583, that that Prince had 32 Millions of revenue, and that he fell short more than 5 Millions for the expences of his household in the years 1583 and 1584.

And according to M. *de Sully*, p. 264 of the third volume of his *Memoirs*, the folio edition in 1662, Henry III. had in the year 1581 the sum of 31,654,400 Livres of revenue. As this Minister was capable of knowing the true state of the revenue, we shall rely upon what he says, that so we may not magnify matters.

Under that reign the Mark of Gold was worth 222 Livres: Upon this foot, the 31,654,400 Livres of revenue amounted to 142,587 Marks of Gold. At this day it is fixed at 740 Livres 9 Sols 1 Denier. Thus 1 Livre of that time is worth 3 Livres 6 Sols  $8\frac{1}{2}$  Deniers of the present; that is to say, the numerical value of Money has risen from 1 to a little more than  $3\frac{1}{3}$ . We must now see what was the value of Commodities then, and what they are valued at now.

During the reign of Henry III. Commodities were very dear, and especially grain, whereof there was a great scarcity in 1574, 1577, and 1587. And therefore I shall not here make use of their prices, but those of some other Commodities; which, though likewise dear, will however answer my purpose, in comparing the revenues of Henry III. with those of Lewis XV. now reigning.

I find in the *Cabinet of the three precious Pearls*, printed in 2vo, Anno 1581. B. 1. p. 66. the weight and

and dimensions of the Setier of Corn, and of the Queue \* of Wine, and in B. III. p. 559. the prices of Commodities contained as here stated, against which I shall set down the present rates of the same Commodities, viz.

		Prices					
		In 1580.			In 1735.		
		l.	s.	d.	l.	s.	
The Queue of Wine, consisting of 400 pots is estimated at 7 Livres 10 Sols, that is for 144 pots or the present Muid or Hogthead	}	2	14	0	50	0	
The Load of Hay consisting of between 14 and 15 Quintals	}	3	0	0	22	0	
A fat Ox. _____		24	0	0	170	0	
A fat Weather _____		3	0	0	16	0	
A fat Capon _____		0	6	0	2	0	
A fat Hen _____		0	2	6	0	15	
A Pig _____		0	5	0	3	0	
A dozen of Eggs _____		0	1	0	0	10	
A yard of Linnen Cloth _____		0	5	0	2	0	
The Pound of Butter _____		0	2	0	0	12	
The Load of Wood _____		0	10	0	7	10	
		34	5	6	274	7	

From this account we see, that what at that time cost 34 Livres 5 Sols 6 Deniers in a dear season, would at least cost now even in cheap years 274 Livres

\* A sort of Hogthead holding a French Muid and a half.

7 Sols: This is 8 times more than in 1580. Thus Commodities have risen from 1 to 8, and the Specie having risen only from 1 to  $3\frac{1}{3}$ , it follows, that one gives at this day  $2\frac{2}{3}$  times more Money for a thing than it would have cost at that time; for  $3\frac{1}{3}$  is to 8 as 1 is to  $2\frac{2}{3}$ .

Now Commodities having risen from 1 to 8, the 31,654,400 Livres, which was the revenue of *Henry III.* are equivalent to 253,235,200 Livres of the present Money. If we add to this sum the fifth thereof for the Dominions united to the Crown since that time, we shall have three hundred and three Millions, eight hundred and eighty-two thousand, two hundred and forty Livres, which is the revenue that *Lewis XV.* ought to have, to be able to support the same expences at this day as *Henry III.* did then with his sum of 31,654,400 Livres; whereas *Lewis XV.* has only 200 Millions of revenue, which may at least be reduced to 140 Millions, considering more than 60 Millions of annual charges, which this Prince actually pays, which *Henry III.* was free from. We may therefore say, that *Lewis XV.* with his high sum of 200 Millions, is less rich by 163,882,240 Livres *per Annum* than *Henry III.* was with his lower sum of 31,654,400 Livres. Let us compare them next by the Weight.

Since a thing at this day costs  $2\frac{2}{3}$  times more Money than it did in 1580, the 142587 Marks of Gold which *Henry III.* received yearly, are equivalent to 342208 $\frac{1}{3}$  Marks of Gold; to which adding their fifth for the additional dominions now belonging to the Crown, we shall have 410,650 $\frac{1}{3}$  Marks of Gold, which is what *Lewis XV.* ought to receive yearly, to be able to procure the same quantity of provisions that *Henry III.* did. Now the 140 Millions of clear revenue which remain to *Lewis XV.* after all deductions, at 740 Livres 9 Sols 1 Denier the Mark of Gold, make only 227,463 $\frac{1}{3}$  Marks. Therefore the revenue of *Lewis XV.* falls short of what is equivalent to that of *Henry III.* by 183,186 $\frac{2}{3}$  Marks of Gold.

And



And though we should reckon upon the whole revenue of 200 Millions, without making any deduction, it will amount only to 270,106 Marks of Gold; whereas *Henry III.* received the equivalent of 410 thousand 650  $\frac{1}{2}$  Marks. We should therefore find the revenue of *Lewis XV.* still deficient by 140,544  $\frac{1}{2}$  Marks of Gold.

*Proof of the justness of my Calculations, and that I have not stated the Case too high.*

**T**O prove that my Calculations are not out of the way, and that they are rather too low than too high, I am going to make another, which I hope will make this Truth evident to a Demonstration.

In *Fromenteau's Secret of the Finances*, there is a very long and very full account, which I have examin'd and cast up, as I have said above, containing all the expences laid out in the reigns of *Henry II. Francis II. Charles IX.* and for four years and seven months of the reign of *Henry III.* According to which account, I find from the last of *March 1547*, the day of *Henry the second's* accession to the Crown, to the last of *December 1578*; that those Monarchs expended, for all general charges whatsoever during those thirty-one years and nine months, a sum of nine hundred twenty-six Millions, a hundred ninety-two thousand, five hundred Livres.

In order to know what was the annual expence of each of those Kings, I shall divide this total and common expence of 926,192,500 Livres amongst them, in proportion to the revenue I have assign'd to them, and to the duration of their reigns. If the quotient of this division is a sum which surpasses the revenue assign'd to each, it will be a proof that those revenues are too low computed, or that the expences exceed'd them. The first case favours my Calculation, which did not take in enough. The second makes against me; however, I shall follow it if it be found true. In order to make this Distribution, here is the way I reason.

Henry II. and Francis II. had 18 Millions of revenue, they reigned 13 years 8 months 5 days, whence we have the sum of	246,250,000	
Charles IX. had 21 Millions of revenue; he reigned 13 years 5 months 25 days, which makes	283,208,333½	674,541,000
Henry III. had 31,654,400 Livres of revenue, that is, for 4 years 7 months.	145,082,666⅔	

Therefore their expence exceeds their revenues by

251,651,500

L. 1.  
926,192,500.

Here

## upon the FINANCES.

Here is a Demonstration, that the revenues which I have assign'd to each of those Princes are too low, and that the expences which they laid out exceeded them.

I resume my Calculation, and say for the first, 674,541,000 are to 926,192,500, as 246,250,000 to a fourth, which I want, and which I call x. By resolving this Analogy, and by working the same way for the other two,

<i>I find that the 246,250,000 of Henry II. and of Francis II. } ought to support</i>	<i>I.</i>	<i>s.</i>	<i>d.</i>
<i>The 283,208,333 l. 6 s. 8 d. of Charles IX. -----</i>	338,111,510	6	8
<i>And the 145,082,666 l. 13 s. 4 d. of Henry III. -----</i>	388,856,832	0	0
<i>Consequently the 674,541,000 bear the whole expence -----</i>	199,205,146	8	9
<i>I have neglected the fractions amounting to -----</i>	926,173,488	15	5
<i>The said sums return to the foregoing -----</i>	19,011	4	7
	<u>926,192,500</u>	<u>0</u>	<u>0</u>

	l.	s.	d.
<i>If now I divide 338,111,510 Livres 6 Sols 8 Deniers, by 13 years 8 months 5 days, which is the duration of the reigns of Henry II. and of Francis II. I shall have for the expence of each year of their reigns, at a medium</i>	24,714,749	19	10
<i>By dividing likewise 388,856,832 by the 13 years, 5 months, 25 days of the reign of Charles IX. I shall have in like manner for his yearly expence at a medium</i>	28,833,874	5	1
<i>And so the 199,205,146 Livres 8 Sols 9 Deniers, divided by the 4 years and 7 months of the reign of Henry III. I shall have for the mean expence of each year.</i>	43,462,941	0	9

These mean expences of each year of the reigns of those Kings far surpass, as we see, the revenues which I have assigned to them; which invincibly proves, that I have not exaggerated matters, but that I have always leaned rather to the lower than to the higher side; this makes against my Calculations: However, I shall continue them upon this foot.

## upon the FINANCES.

The 24,714,749 Liores 19 Sols 10 Deniers, at 172 Liores the mark of fine Gold, make 143,690  $\frac{1}{2}$  marks, the mark being at present at 740 Liores 9 Sols 1 Denier, those 143,690  $\frac{1}{2}$  marks of Gold, make of our present Money, an hundred and ten millions, six hundred and eighty-six thousand, an hundred and fifty-five Liores, seven Sols.

The expence of Lewis XV. in the year 1724 was \_\_\_\_\_

	l.	s.	d.
	110,686,155	7	0
	206,745,318	0	0

Therefore the charges of Lewis XV. in that year 1724, exceed the charges of Henry II. and of Francis II. communibus annis, by

96,059,162	13	0
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In like manner the overplus of the charges of Lewis XV. above those of Charles IX. will be found

95,421,544	0	0
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The 43,462,941 l. of Henry III. at 222 l. the mark of Gold make 195,779 marks, which at 740 l. 9 s. 1 d. the fix'd price which it has at present, make of our present Money, the sum of

145,669,376	5	11
206,745,318	0	0

Therefore the Charges of Lewis XV. exceed those of Henry III. communibus annis, by

61,075,941	14	1
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This

This Calculation therefore proves to us invincibly these two things; first, that the revenues assign'd to *Henry II. Francis II. Charles IX. and Henry III.* are too low in proportion to their expences, since the total amount 674,541,000 Livres of those revenues, multiply'd by the duration of their reigns, is a great deal short of their total expence 926,192,500 Livres.

And the second is, that the overplus of Charges which *Lewis XV.* had to pay more than his Predecessors, and which I have subtracted from his real revenue, is also below what results from this Calculation, since the overplus is 96 Millions, when compar'd with *Henry II. and Francis II.* which I might have deducted from the revenue of *Lewis XV.* whereas I have not made any deduction: When compar'd with the revenue of *Henry III.* I might have diminish'd it by 61,075,941 Livres; whereas I have only subtracted 60 Millions. It is therefore fully demonstrated, that instead of having magnify'd matters, I have always diminish'd them, that I might give all favour to the Scheme of the Author of the *Political Essay upon Commerce.*

These facts appear to me demonstrative; but perhaps it will be thought otherwise by those who shall only keep in their eye a comparison between the exploits of those Kings, their expences, and the number of troops which they maintain'd, and the exploits, expences, and prodigious number of troops which were kept in pay by *Lewis XIV.* I own, that the attainments of this last Monarch far surpass those of the former; but this concludes nothing against me, because his revenue was far from answering the expence of his reign, since he left more than two thousand Millions of debt\*, which he had spent over and above his revenue. Thus, besides that this comparison requires a very accurate knowledge of some particulars, which are only to be learn'd where I have not free access to come at them,

\* As we see above, chap. 1. Art. 5.

it would not have shewn me the truth, which I am in search of. It suffices, that I have proved, as clear as the light of day, that *Louis XII. Francis I, &c.* were able, with their low revenue, to buy a greater quantity of Commodities at the prices of their times, than *Louis XV.* now reigning, could do at the present rates with his greater revenue; so that we may conclude that this Prince is really poorer than his predecessors.

This proof to me appears unanswerable; it is infinitely stronger than any reasoning can be, which is not supported by particular facts, conclusive enough to be able to destroy those I have set down. See also what has been before said upon this subject at the end of the third Comparison.

Here again is another calculation, which without regard to the prices of Commodities, will shew us that the King was much richer in 1683, than he was in 1715, because the revenues in 1715 were lower, and the charges higher.

In 1683 \* the King's revenues were 116,873,476  
 And the Charges amounted only to 23,375,274

Therefore there entered of clear cash into the King's coffers 93,498,202

At that time the Crown of 9 to the mark paid for 3 Livres, consequently the mark of coined Silver was worth 27 Livres. At this rate the above 93,498,202 Livres amounted to 3,462,970 marks of coined Silver.

In 1715 the King's revenues were 115,389,074  
 And the Charges were 82,859,504

Therefore the clear cash that entered into the King's coffers was 32,529,570

\* See in the detail afterwards, Article VI. of this Chapter.



At that time the Crown of 8 to the mark was worth 3*l.* 10*s.* and the mark of coined Silver by consequence 28 Livres. At this rate the above 32,529,570 Livres made only 1,261,770 marks of coined Silver, whence results this balance.

		Revenues, Charges deducted.	Converted into marks of Silver
In 1683 the revenue after deduction of charges amounted to —		1.	1.
Ditto in 1715	—	93,498,202	3,462,970
		32,529,570	1,261,770
		<hr/>	<hr/>
Therefore the King was less rich in 1715 than in 1683 by —		60,968,632	2,201,200
The Revenues in 1683 exceed those in 1715 by —		1,484,402	
The charges in 1715 exceed those in 1683 by —		59,484,230	2,201,200
		<hr/>	<hr/>

'Tis therefore plain that the King was richer in 1683, than he was in 1715, by the sum of 60,968,632 Livres, or by 2,201,200 marks of Silver, and that without having regard to the difference of the price of Commodities in those two periods of time, but only to the decrease of the revenues and encrease of the charges. In 1715 the subjects were in such misery, that the King released them from a part of the taxes, tho' his charges were a great deal higher than in 1683.

*See the foregoing Table*

This Table shews us at one view, 1. That *Lewis XII.* had 7,650,000 Livres of annual revenue; which revenue, considering the price of Commodities raised from 1 to 22, is equivalent to 168,300,000 Livres; to which sum adding its fifth for the Dominions since joined to the Crown, we have 201,960,000 Livres.

The 200 Millions of revenues of *Lewis XV.* being reduced, by the 64,853,000 Livres of annual charges which he pays out, and which *Lewis XII.* had not to pay, to the sum of 135,147,000 Livres, it follows, that *Lewis XII.* enjoyed every year the equivalent of 66,813,000 Livres more than *Lewis XV.*

The 7,650,000 Livres which *Lewis XII.* enjoy'd of annual revenue, amounted to  $58,770 \frac{4}{5}$  Marks of Gold, which multiply'd by  $3 \frac{7}{8}$ , give an equivalent of  $227,333 \frac{1}{2}$  Marks; to which adding their fifth, as above, we have  $272,799 \frac{3}{4}$  Marks of Gold. Now the 135,147,000 Livres which *Lewis XV.* enjoys, make only  $182,519 \frac{1}{8}$  Marks: Therefore he enjoys less than *Lewis XII.* by an annual equivalent of  $90,260 \frac{1}{2}$  Marks of Gold. Thus we may say, that *Lewis XII.* was richer than *Lewis XV.*

	<i>Livres</i>	<i>Marks</i>
By _____	66,813,000	or 90,260 $\frac{1}{2}$
II. That Francis I. } for the same reason was } richer than Lewis XV. } by	128,706,000	or 173,811 $\frac{3}{4}$
III. That Hen. II. } and Francis II. were } richer than Lewis XV. } by	124,000,000	or 238,934 $\frac{163}{128}$
IV. That Hen. III. } was also richer than } Lewis XV. by.	168,882,240	or 183,186 $\frac{2}{3}$

V. That

V. That from the time of *Lewis XII.* the Specie has risen from 1 to  $5\frac{1}{8}$ , and Commodities from 1 to 22. Thus we must give now  $3\frac{7}{8}$  times more Money for a thing, than was given for the same in 1508; for  $5\frac{1}{8}$  is to 22 as 1 is to  $3\frac{7}{8}$ .

VI. That from the reign of *Francis I.* the Specie has risen from 1 to  $4\frac{1}{8}$ , and Commodities from 1 to 15. Thus we give at this day  $3\frac{7}{8}$  times more Money for a thing, than was given for the same thing under the reign of *Francis I.* since  $4\frac{1}{8}$  is to 15, as 1 is to  $3\frac{7}{8}$ .

VII. That from the time of *Henry II.* and *Francis II.* the Specie has risen from 1 to  $4\frac{1}{8}$ , and Commodities from 1 to 15. Therefore we give at this day  $3\frac{1}{2}$  times more Money for a thing than it cost under those reigns; for  $4\frac{1}{8}$  is to 15, as 1 is to  $3\frac{1}{2}$ .

VIII. That from the time of *Henry III.* the Specie has risen from 1 to  $3\frac{1}{3}$ , and Commodities from 1 to 8. Thus we give at present  $2\frac{2}{3}$  times more Money for any thing, than it would have cost in 1580; for  $3\frac{1}{3}$  is to 8, as 1 is to  $2\frac{2}{3}$ .

*From all these facts there results,*

1. *From the four first Articles,* an invincible Demonstration, that all those Kings, with their low revenue, were able to buy more Commodities at the rates of their times, than *Lewis XV.* can do at this day, at the present rates, with his higher revenue; and consequently that *this rise of the numerical value of money is contrary to the interest of the King and People, as Debtors:* Which is diametrically opposite to the maxim laid down by our Author, p. 217, where he says, that *the raising of the numerical value is always advantageous to King and People as Debtors.*

2. This prodigious advance of the price of Commodities above that of Specie, can neither be ascrib'd to monopolies, nor to the scarcity of those Commodities; for these are but transient things, and of short duration.

duration. It can therefore be owing to nothing but the plenty of Gold and Silver, which circulate in this Kingdom in greater quantity than ever, and to the raising the numerical value of our money; for our lands at present are at least as well cultivated as they were then, and they produce full as much as they did under the reigns of those Kings. It is therefore nothing but the plenty of these metals, and the raising of our Coin, that have caused the price of Commodities to rise to the degree we see at present. For though it is true, as has been already said \*, that Commodities do not rise at first so high as the Specie; yet they rise in a certain Proportion with Money: And when the Nation returns to the heavy Money, by lowering its numerical value, Commodities do not fall with it, but still retain their advanced price. The Merchant and Trader raise their prices more easily than they lower them; of this we have plain enough proofs. We must give, at this day much more Money for any thing, than was given for the same thing heretofore.

3. That since the whole revenues of the Kingdom have not risen in Proportion to Commodities, we cannot agree with the Author, that the *rise of the numerical value of Money has produced the same advancement and the same rise in the farms of Lands, and in all sorts of Merchandize*. For it is fully demonstrated above, that the King's revenues, or those of any private person whatsoever, have not risen in proportion to Commodities, and consequently that the land or messuage which was let out for one Pistole under *Lewis XII.* is far from being let out for twenty-two Pistoles at present, as it ought to be, if the raising of Money had produced the same advance and rise in the farms of lands, &c.

It is true, when the farms of lands, the rents of houses, the cattle, fowl, &c. were farmed or sold in appearance twenty-two times less than now, the rents of lands, lordships, &c. were proportionably less

\* Chap. I. article VIII. application 3.

estimated, and consequently farms let out, as well as lands sold at a lower rate : But what matters it to me, that these tenements are at present higher estimated by a greater number of Livres than they were formerly, if this higher estimation does not procure me, at this day, a supply of the necessaries of life to the same degree as that lower valuation procured me then ? I am certainly less rich than I was ; and therefore the raising the numerical value is contrary to my interest : And this is what will always be the case when revenues do not rise in Proportion to Commodities. Those of the King have risen in tale of pieces ; but the charges which bring them down, have still risen more. Thus, in every shape, this numerical rise of the revenue not being proportion'd to that of Commodities, *is prejudicial to King and People as Debtors*, and contradicts what our Author says, p. 217, that when the Specie rises, *the King receives more in tale ; so that this additional pay becomes indifferent, and that the raising the numerical value of Money is still advantageous to King and People as Debtors.*

If my income does not rise, and yet my expence swells, this additional expence is so much clear loss to me. This being the case, how can it be indifferent to me ? And where lies my advantage in raising the numerical value of Money : I see nothing to be got by it but manifest loss.

In page 212, *our Author would persuade us, that the dearth of Commodities is a thing indifferent to him who is equally seller and buyer, and that it is prejudicial to none but them who are only buyers, as the renter in Money and the soldier.* If all men buy or sell equally, it is plain, that there will be a perfect equality on either side ; as many losers as winners. The loss will compensate the profit, and the profit the loss. To this fact I agree ; but this fact makes nothing in favour of raising the Specie, which occasions the dearth of Commodities, since in that case it would have no effect, but that of raising all things, without making revenues to rise,

and consequently of making us less rich than we were before the rise.

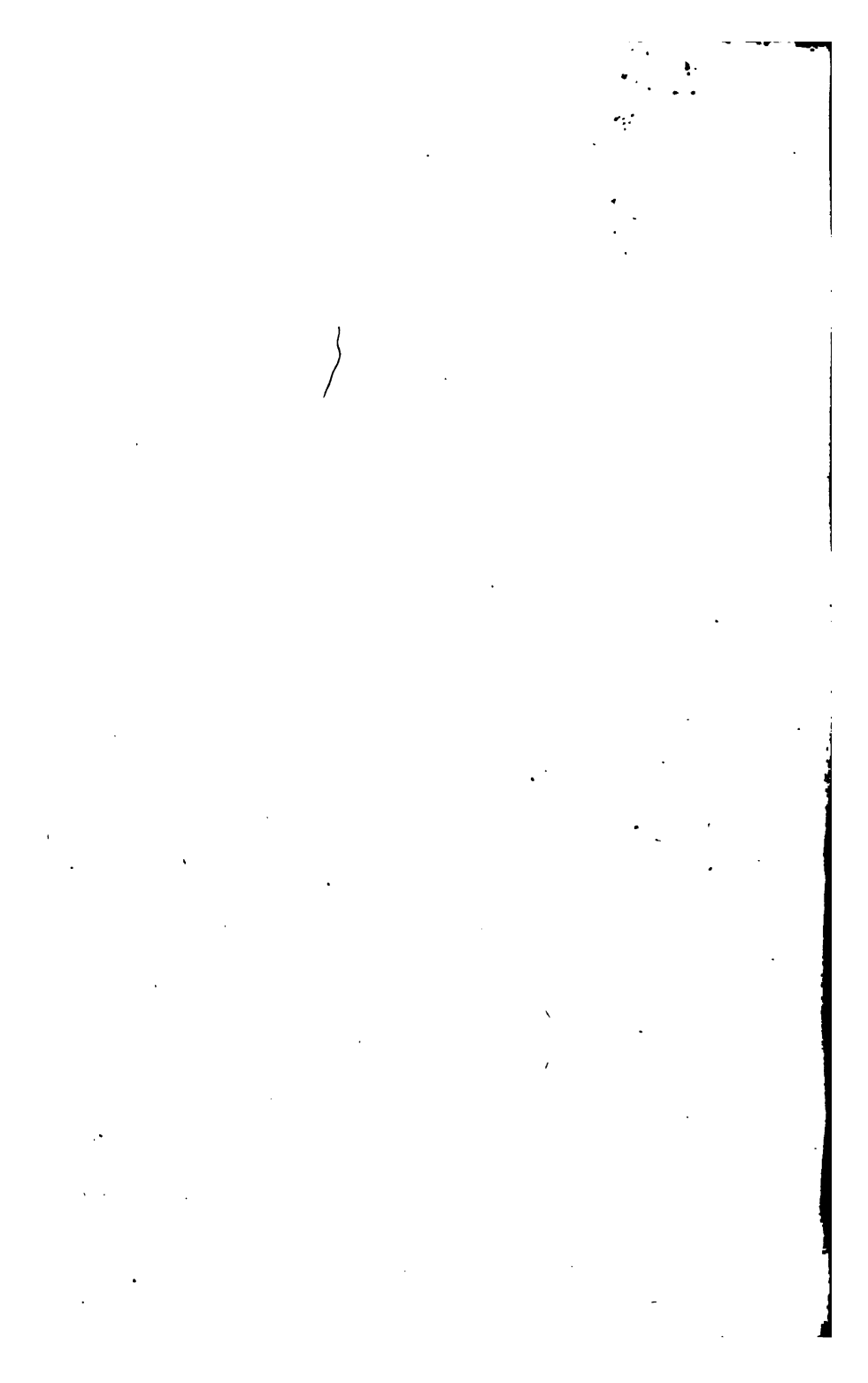
Farther, all men are expending daily ; consequently all men are buyers, but all are not sellers ; very far from it : The number of the buyers is infinitely greater than that of the sellers. Thus the advantage got by the seller can never, I think, ballance the damage or loss sustain'd by the buyer ; because the buyers being certainly more numerous than the sellers, there are undoubtedly more losers than gainers, and consequently more loss than gain. Now, as the King lays out the greatest expence, he is the greatest buyer in his Kingdom, and consequently the greatest loser. All those subjects too who expend are buyers, and thus they are so far losers. It is therefore the sellers only, who bear no Proportion to the number of the buyers, who can reap any advantage from raising the numerical value of the Specie : Besides, it remains a question, whether this pretended profit can compensate the loss they sustain from the sums which they owe to Foreigners at the time of raising the Specie ; for it always happens that our Merchants either owe, or have Money owing them from Foreigners, at the time of issuing out a Proclamation for raising the Money. They can only pay their Foreign Creditors upon the foot of the current value of Money in their country ; and yet they are forced to receive from their debtors in *France* Gold and Silver for much more than it was valued at before the Money was raised ; inso-much that they pay more than they owe, and receive less than is owing to them ; which occasions a double loss upon their active and passive debts, and that so considerable, as frequently to oblige them to give over their Trade.

From this Chapter therefore we may conclude, that the variations of Money extremely disorder our Commerce ; and by disordering our Commerce, they likewise disorder the revenues of the King and Publick. For the husbandman and peasant depending upon Commerce alone for the means of paying, if Commerce

*In order to resume, and give one immediate view of the  
consequences which necessarily*

KINGS.	Real Revenues		Present Estate	which now com- eth what in in gns is.
	In Livres.	In Marks.	In Livres.	
<i>Edward XII.</i>	7650000	58770 $\frac{4}{5}$	168300000	Es more.
<i>Edward I.</i>	15730000	95117 $\frac{4}{5}$	235950000	
<i>Henry II.</i>	18000000	104651	270000000	
<i>Edward II.</i>				
<i>Henry III.</i>	31654400	142587	253235200	







merce be impaired, their means of payment must be impaired at the same time, and in the same proportion. In that case the general farms, the *Tailles*, &c. suffer thereby considerably: Thus the advantage of a fixed and invariable Coin is evident. I am persuaded, that every one will be fully sensible of this advantage, who knows of how great importance it is to *France*, not to interrupt her Trade; but, on the contrary, to give it all possible support and protection, preferable to the Finances; nay, even though they should suffer.

Perhaps, I shall be told, that as a consequence from my Reasoning, it follows, that the people do not pay enough of taxes, since the King is not so rich as his predecessors, and raises not so much Money upon his people, as did in former times *Lewis XII.* *Francis I.* *Henry II.* *Francis II.* and *Henry III.*

To obviate this objection, we shall shew that *Lewis XV.* really raises a great deal more upon his subjects than his predecessors did. The revenues of *Lewis XV.* are at this day 200 Millions; which, at 740 Livres 9 Sols 1 Denier the Mark of Gold, make 270,106 Marks, which *Lewis XV.* raises at present upon his subjects.

	Marks.
Now we have seen above, p. 106, that <i>Lewis XII.</i> raised only 58,770 $\frac{4}{5}$ Marks, which, with a fifth of addition for the product of the additional dominions belonging to the Crown since his time, gives for his revenue the sum of	70,524 $\frac{4}{5}$
<i>Francis I.</i> p. 110, raised 95,117 $\frac{4}{5}$ Marks; to which adding their fifth, we shall have	114,141
<i>Henry II. and Francis II.</i> p. 113, raised 104,651 Marks, which, with their fifth added, make	125,581
<i>Henry III.</i> p. 114, raised 142,587 Marks, which, with the fifth added, make	171,104 $\frac{4}{5}$
Each of these is far short of	270,106
K 2	which

which *Lewis XV.* receives at present ; therefore it does not follow, from my Reasoning, that he raises less upon his subjects than his predecessors. He raises a great deal more, as we have seen ; and yet in one sense he is not so rich, in Proportion to the rise of Commodities and Specie, and upon account of his Charges, which have advanced much higher than his revenues : Which makes the objection fall to the ground, and is also a plain proof, that the numerical rise of the Specie, and that of the price of Commodities joined to his charges, have been disadvantageous to the King. It does not therefore follow, that the People do not pay enough of Taxes. I maintain, on the contrary, (though it belongs not to my subject) that they pay at present all that in reason can be exacted from them. The manner of levying those Taxes, does much more harm to the People than the Tax itself.

## ARTICLE VI.

*Containing an addition to this Chapter.*

Since finishing this Work, there has appeared a second Edition of the *Political Essay upon Commerce*, wherein we find an addition to the 19th Chapter, 235 and following pages. To prove that *raising the value of Money had been necessary, or at least that there is a necessity for its taking effect at present*, the Author fetches an Example from the King's revenues in the year 1683, compared with those in 1733. This is the subject of that Chapter, which only turns upon such comparisons. Let us hear the Author, who thus delivers himself, p. 236.

“ From the works of the Abbé of St. Peter \*,  
 “ it appears by his Calculation, which we suppose  
 “ to be just, that the King's revenues in 1683  
 “ amounted to four Millions two hundred eighty-  
 “ six thousand Marks of Silver, at 28 Livres the

\* Tom. 8. Upon the Ministry of the Finances.

“ Mark : And in 1733, the same Taxes \*, at  
 “ 49 Livres the Mark, yielded only 156 Millions.  
 “ Now, says the Abbé of St. Peter, the sum of  
 “ Marks paid in 1683, would make at present more  
 “ than 200 Millions. Therefore the King loses by  
 “ raising the numerical value 45 Millions.”

Observe here, *says our Author*, “ That he recovers  
 “ them by the *Capitation Tax*, the Tax arising from  
 “ the register of *Controle*, and the increase of the farm  
 “ of Tobacco.”

That is to say, that the raising of Money having  
 put the King behind-hand with his expence, his Ma-  
 jefty, in order to bring up his receipts to an equality  
 with his disbursements, that have advanced by the  
 raising of the Money, has been forced to lay the Ca-  
 pitation Tax upon his subjects, which the Abbé of  
 St. Peter † values at 22 Millions, the *Controle*, which he  
 computes to be 10 Millions, and to raise the farm of  
 Tobacco upwards of 3 Millions. Here then the peo-  
 ple are burden'd with 35 Millions more than they  
 were, and the King had lost 45. Therefore his  
 Majesty does not recover his whole Loss by the  
 Capitation, the *Controle*, and by raising the farm of  
 Tobacco, as the Author will have it ‡, since he wants  
 no less than 10 Millions to compensate the 45 which  
 he loses. But though the King should recover them  
 all by these additional Taxes, is the raising of Money  
 the less to be reckon'd the cause of the mischief im-  
 puted to it, when it impairs the King's revenues by 45  
 Millions, and burdens the people with 35 Millions of  
 taxes more than they were? Is that an advantage?  
 No, sure. The Author of the *Political Essay* was very  
 sensible, that this example did not prove the necessity  
 of raising the numerical value of Money. Accordingly

\* The general farms, the *Tailles*, and the *Pays d'Etats*; that is,  
 those Provinces which retain the privilege of assessing themselves  
 by their own *Etats*, Estates, or Representatives.

† Tom. viii. p. 10.

‡ *Political Essay*, p. 236.

he supports it by the other reasoning which he immediately subjoins to the former, p. 237, as follows.

“ Let us see if another reasoning does not afford a truer and more useful consequence. By all the expences and debts contracted since 1683, the charges of the State have increased to such a degree, that no less than 200 Millions a year will clear them. Now, if the Mark of Silver was at 28 Livres, it would take to pay these 200 Millions, seven Millions of Marks of Silver; whereas four will serve when the Mark is at 49 Livres: Thus the People pays three sevenths less in weight, that is to say, in real value.”

*The Abbé of St. Peter \* says, the imprudent raising of Money occasion'd the greatest part of the decrease of the King's revenues.* Might he not have added, that it caused the price of every thing to rise, and consequently augmented the charges of the State? Which is a double loss to the King, both by impairing his revenues, and by increasing his expences. If the Mark of Silver had remain'd at 28 Livres, and the Money not become commoner, nothing would have risen; all things would have remain'd much upon the same foot as they were; the People would still have paid what they did before; neither their charges, nor those of the State, would have increased; the King would still have been as before, equal to his expence, and the People would not have been tax'd with an overplus of 35 Millions. Did the People pay their taxes better in 1733, and had they more left than they had in 1683? Were they able to do more in both those periods of time, than barely to pay their taxes, live and maintain themselves but very indifferently? If they pay to the King  $\frac{1}{7}$  less in weight, they gain nothing by it; on the contrary, they are losers thereby: For, they likewise receive  $\frac{3}{7}$  less in weight for the price of their Commodities, their Labour, &c. The raising of every thing, which

is the effect of raising the Money, adds likewise to their expences : And as they receive a great deal more than they pay to the King and the Proprietor of the land which they cultivate, they likewise lose thereby much more than they gain. The case is the same as to the King : If the People pay him  $\frac{3}{7}$  less in weight, he therefore receives those  $\frac{3}{7}$  less in value ; consequently, the King was really not so rich in 1733, as he was in 1683. If he is not so rich, and his expence grows by raising the Money, and by augmenting his charges, he sustains a double loss : In that case he is forced to augment the taxes, and burden his people more than they were. Accordingly, this is what actually happen'd. Is this then to gain ? Is it not rather a real loss to the People and to the King himself ? The reader, if he pleases, may look back to the proofs that are given of these facts above, *chap. 1. Art. 7. Applic. 1, 2, and 3 ;* and again, *chap. 2. Art. 5. p. 128. No. 3. & sequ.*

What has been here said, and what is likewise said by the Abbé of St. Peter, may also be prov'd in this manner.

According to a recapitulation of the King's revenues in 1683, which has been communicated to me by the Author of the Book which is the subject of these Remarks, and which I suppose to be just, the value of the farms in that year 1683, amounted to 116,873,476 Livres\* ; whereof the following are the particulars, opposite to which we have placed the present product of the same taxes, taken from the second observation of the Work of the Abbé of St. Peter †.

\* See above at the end of the 5th Article of this Chapter, before we come to resume the comparison of those revenues in 1683, with those in 1715.

† Tom. viii. p. 7. & sequ.

	Anno 1683.	Anno 1730 and Sequ.
<i>General Farms</i> —————	64,937,000	84,000,000
<i>General Receipts</i> —————	37,908,244	43,500,000
<i>Receipts of the Pais d'Etats</i>	4,223,503	5,748,337
<i>Gratuitous Donations</i> * —	5,606,516	2,530,136
<i>Casual Revenues</i> † ————	2,786,900	3,000,000
<i>King's Forests</i> —————	1,411,313	1,500,000
	<hr/> 116,873,476 <hr/>	<hr/> 140,278,473 <hr/>

The Abbé of St. Peter says, however†, that the King's revenues in 1683, amounted to 120 Millions; but to give all favour on our Author's side, we shall reckon upon the lowest revenue, the 116,873,476 Livres, which, at 28 Livres the Mark, amounted to 4,174,052  $\frac{5}{7}$  Marks of Silver.

In 1730, a time of peace, the same revenues produced, according to the preceding Articles, 140,278,473 Livres; which sum, at 49 Livres 16 Sols the Mark of Silver, makes 2,816,836  $\frac{6}{7}$  Marks of Silver: Thus the tale in 1730 exceeded that in 1683, by 23,404,997 Livres. And yet the King really received 1,357,215  $\frac{5}{8}$  Marks of Silver less than he received in 1683. Therefore the King was really less rich in 1730 with more pieces, than he was in 1683 with fewer. This fact, which seems next to unanswerable, and which is still stronger than that of the Abbé of St. Peter, does it prove *that raising the numerical value is advantageous to the King and People, as Debtors, and that it is necessary for the relief of the husbandman, burden'd with heavy*

\* Given by particular Provinces, or by the Clergy, in consideration of some privileges granted by the King.

† Such as escheats, confiscations, and what is called *Paulette*, a sort of tax paid by the officers of judicature, or those belonging to the Finances or Exchequer.

‡ Page 19.

*taxes,*

*taxes*, as our Author will have it in the passages cited at the foot of the page \*? Does it not rather prove what we have been asserting, that the King was not so rich in 1730 with more pieces, than he was in 1683 with fewer; and that abstracting from the price of Commodities, which followed the numerical value of Money, or pretty near to it? If so, where then is the necessity of raising the value of Money? It is manifest, *that it is contrary to the interest of the King and People, as Debtors*. For the People are more burden'd by it, and they lose thereby as well as the King.

The 4,174,052  $\frac{7}{8}$  Marks of Silver, which the King received in 1683, would make at present (at 49 Livres 16 Sols the Mark) a revenue of 207,867,845 Livres: The same taxes produce at this day 140,278,473 Livres, therefore the raising the numerical value of Money, makes the King lose a sum of 67,589,372 Livres, abstracting from the price of Commodities. Can the Author alledge, in answer to this, what he says, p. 236, that the King recovers this loss by the Capitation, and other taxes laid upon the people in 1730, and which they were free from in 1683? No sure, for he cannot be ignorant, that this expedient brings an additional burden upon the people, and proves to a demonstration, that the raising the value of Money is detrimental to them.

But besides this Argument, which appears invincible, we shall endeavour to demonstrate to him, that the King, by laying on those additional taxes upon the people, does not recover the 67,589,372 Livres, which the raising of the numerical value makes him really lose.

All the branches of the King's revenue in 1730, particularly specify'd in the Work of the Abbé of St. Peter, which we have quoted above, amount together to 182,399,090 Livres, deducing the five Mil-

\* Political Essay, 2d Edition, p. 208—38, 39.

† Page 236.

dions for the *fiftieth* suppress'd : Of these we reckon before only 140,278,473 Livres. The difference, 42,120,617 Livres, is the amount of the additional tax laid upon the people, and which the King recovers, as our Author will have it. But if he loses 67,589,372 Livres by raising the numerical value of Money, and by the additional taxes recovers only 42,120,617 Livres, is it not clear that the King still loses thereby 25,468,755 Livres ? Thus the Author cannot say, that the King recovers by the additional taxes what he loses by raising the numerical value of Money ; since with these additional taxes, he still loses 25,468,755 Livres. For the King received in 1683 the equivalent of ——— 1.207,867,845 In 1730 he received only ——— ———182,399,090

Therefore the King still loses thereby 25,468,755

This exactly agrees with the former Calculation, and is a proof which holds good. After such facts, I do not see how the raising the numerical value of Money can be look'd upon as advantageous either to King or People in any case. This is what I had to prove.



## C H A P. III. \*

*Wherein we examine whether the raising of Money is advantageous to our trade, or the contrary, by tracing the course of foreign exchange, which is the true Barometer of trade, and the only way that can with certainty and full evidence shew us its situation.*

## A R T I C L E I.

*Containing explanations necessary for understanding what I have to say, together with the state of our Money and Exchange in January 1709.*

**F**OR the better comprehending what I have to say in this Chapter, 'tis proper to explain here what is meant by exchange.

By exchange then is meant an agreement between two Merchants, the one *French*, for example, the other *Dutch*; in consequence of which they mutually remit to one another sums which are due to them, to the *Frenchman* in *Holland* for the value of merchandise which he has imported thither, over and above the value of those he exports, and to the *Hollander* in *France* upon the same account, in order both of them to avoid the penalty, the risks, and expences of tran-

\* Here begins the 2d Volume of the original.

sporting Money. Whence I draw these fundamental principles.

## I.

Exchange is nothing but a compensation of value from one country to another.

## II.

If our commerce and disbursements in foreign countries are equal to their commerce and disbursements in ours, the compensation is equal; in which case *the balance of that trade is said to be equal*, and the exchange at Par; that is to say, one who gives Money in the one country shall receive as much from the other in weight and standard. Thus if the *Frenchman* for each of his Crowns that are now current for 3 Livres, which he gives at *Paris* in new Specie, receives  $54 \frac{1}{3}$  Gros, current Money, or 52 Gros of Bank-Money in *Holland*, and  $29 \frac{1}{2}$  pence sterling at *London*, and if the *Hollander* for his  $54 \frac{1}{3}$  Gros current Money, or for his 52 Gros of Bank Money, receives a Crown of 3 Livres at *Paris*, then they both receive precisely as much as they give; if they receive more they gain, and if they receive less they lose. Allow me here to make an occasional remark as to this Par.

Two sorts of Money are as it were the soul and mover of commerce, the one real, and the other Ideal.

The real Money consists of Gold and Silver: It was introduced for the facility of commerce; it made sale succeed to barter, by becoming the price and measure of whatever enters into commerce among men. But as the incumbrance and difficulty of transporting those Species, was still an impediment to commerce, recourse was had to letters of exchange from one country or place upon another; and in order to make the negotiations and calculations the easier, Money of account or exchange was imagined, as Livres, Sols, and Crowns in France, Pounds, Shillings, and Pence, Sterling

ling in England, Deniers, Sols, and Livres de Gros in Holland, &c. This last sort of Ideal or imaginary Money, and which, properly speaking, consists in collective names, which comprehend under them a certain number of pieces of real Money, shall be called Political Money.

These two sorts of Money furnish us with two sorts of comparisons to be made, or of equalities and proportions to be considered. First, between the weight, standard and value of the real Monies of one country, and the weight, standard and value of the real Monies of another country: This sort of equality we shall call the real Par.

The real par, or that exact equality between the current Monies is the most delicate and essential point, and yet the least known in the commerce of exchange: 'Tis likewise the most fixed point whence we can set out; for the weight and standard of Coins are every where more steady than their numerical value. The second equality which we are to consider, is between the Monies of exchange of one country, and those of another, which admit of frequent variation, as to the quantity of the one which must be given to equal the other. These variations, which proceed from the arbitrary value which Sovereigns affix to the real Money in their dominions, and from the plenty or scarcity of letters of exchange of one place upon another, make precisely what we call exchanges. Their equality consists in finding the proportion of one exchange to two or more exchanges given: This is what we shall call the Political par.

This par is therefore an exact equality between the values of exchange of different markets compared with one another. 'Tis what ought to be considered by the trader as a most important object of his study. He ought to trace out the differences of these exchanges; make exact and frequent comparisons of them; examine every day what is the result of the changes laid together. 'Tis from this nice and particular examination that he discovers the paths which he ought to pursue, and the circuits which he may, or which he ought to make from place to place, that he may be capable of improving every advantage which offers to him from each exchange in particular, and to shun making remittances  
directly

*directly upon any trading city, whose exchange shall not appear favourable to him.*

Here then are two sorts of parities which must not be confounded: the real par and the political par. No body has hitherto treated of the real par; in order therefore to do it in a manner satisfactory and useful, we must be perfectly acquainted with the weights, standards and values of all the real Coins of every State in Europe. We must be above the difficulty of calculations which it requires, so that none of them may give us any stop. 'Tis necessary likewise for us to know, and that with the utmost precision, the most exact proportion that is possible between the weights with which Gold and Silver are weighed in our own Country, and those with which they are weighed in all others; for on our exact knowledge of the proportion between all those different weights, the whole comparison of the Money of one State with that of another absolutely depends.

In the books of Commerce, or of Foreign Exchange, made up by our Arithmeticians, we find the proportions of weights and measures; but these are proportions taken inaccurately between the weights with which goods are weighed in those States; besides that those weights are not every where the same with which Gold and Silver are weighed, the importance of those metals requires much more exactness and precision than is either required or really bestowed on Merchandize: Thus one who was to follow those proportions, would be egregiously mistaken.

As to the manner of finding the real par between the real Coins of two States, or the political par between the Money of exchange of two or more States, I shall give below at the end of this article, p. 150, a general formula, which I have had for my own use upwards of twenty years ago, by means whereof all those parities will be found out: It supposes an exact knowledge of all the real Coins; of their weights, standards and values in every State; but as this detail belongs not to my subject, I shall not insist upon it any longer. I resume the principles of Exchange and Commerce.

## III.

If a nation supplies us with more than it takes from us, or if we disburse more Money in it than it does among us, we must necessarily pay that overplus, which is called *the ballance of trade* between the two nations, either in Money or Bullion.

Now, in order to pay that ballance due to the foreign country, the demand for their Money, or for their letters of exchange becomes greater among us than their quantity: This is what raises their price, and lowers the exchange below par \*, because in that case the *Dutch* give us less than  $54\frac{1}{3}$  Gros of current Money, or than 52 Gros of Bank-Money, and the *English* less than  $29\frac{1}{2}$  pence sterling, for our Crown of 60 Sols: In that case we receive less, or we give more Money than what we have received; which makes the exchange disadvantageous to us. It falls below par, or its true value. Thus it has become a traffick; and this difference of the par to what is given, makes the course of exchange. In this case it shews us that *France* is indebted to her foreign neighbour, and consequently that the commerce which it carries on with that nation is burdensome and expensive to her.

In like manner, every time that *France* shall supply a Foreign Country with more than it receives from thence, that Country will be indebted to us, and the exchange to our advantage; because the need which that Country will have of our Money, or of our Letters of Exchange, in order to pay us that ballance, will increase its demand for them; and in that case they will be obliged to give us more than they really

\* I say the exchange is lowered, when it falls below par: This is what we are to understand both here and in the sequel. Many people say it is raised, because they mean that we must give a greater quantity of Livres or Crowns for a certain quantity of foreign Money.

owe us, which makes the exchange to rise above par ; because for our Crown of 60 Sols, the *Dutch* gives us more than 54 Gros current Money, or more than 52 Gros of Bank Money, and the *English* more than  $29 \frac{1}{2}$  pence Sterling : In that case the exchange is to our advantage.

According to these principles, the exchange, which is above par, is advantageous to us, and shews us that the trade, which we carry on with that Nation is favourable to us, since the ballance is on our side.

And the exchange, which is below par, is disadvantageous to us, and teaches us that our trade is burdensom and expensive to us, since we are indebted to the Foreigner : Whence I draw three Conclusions,

First, *That exchange shews us daily which of two Nations is owing the other, and consequently that it is the true BAROMETER OF COMMERCE.*

Secondly, *That the Nation which is indebted, has the disadvantage in Commerce, and that the one to which a ballance is owing has the advantage.*

And Thirdly, *That the advantageous Commerce necessarily draws in Specie or Bullion into the State which has the advantage, or to which the ballance is owing ; and that they are exported out of that State which has the disadvantage, or which is indebted.*

There are, however, cases which may occasion some exception to this rule. There happen, at some particular times, extraordinary movements in the course of exchange. Those which are owing to some particular turn of Trade, are seldom of any continuance, nor considerably felt by Traders : Things speedily return into their natural situation, and the ballance leans sometimes to one side, sometimes to another ; but it is quite otherwise, when those movements are occasion'd by causes that are superior to and independent on Commerce. For example, a recoinage of Money, which brings too much advantage to the King, and consequently,

quently, too much loss to his subjects, a Chamber of Justice, a Visa, &c. induce people to send their Money abroad, in order to save a part of their loss: Then though we are not Debtors, the exchange falls at once. It is the same case when a State, for some political consideration, is obliged to pay great sums in Foreign Countries, without having received a compensation: Then that export is the fall of exchange; it is much more sensible, and of much longer continuance. In such a case, before engaging in exchange, it ought to be nicely studied and narrowly examined; and if it be found not capable to bear considerable returns, it is much better to transport Money in kind than to ruin Trade.

*A sure and expeditious way to know the state of Trade.*

Let that be as it will, it is however certain, that they who attentively consider the daily course of exchange, by seeing which of two Nations is indebted to the other, or which has the advantage or disadvantage in Trade, will also see what is to be done for supporting that exchange, or for benefiting Trade. This method of knowing the balance of Trade, is infinitely more sure and expeditious, than that of examining the import and export of Merchandize; for it enables the Legislator daily to take such measures, as may either maintain and preserve the advantage, if we have it; or recover it, if we have it not; whereas that which results from the examination of Commodities which are imported or exported, can only be known a long time after; and then it is out of time to put those measures in execution. Perhaps it is necessary to make use of both the one and the other. See below, *Art. 7.* of this Chapter, what is there said upon this Subject.

For the same reason, if we accurately trace the course of exchange for a space of time, wherein those  
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rises and falls of Money have happen'd, we shall see at once what influence they have had upon exchange, and consequently upon our Trade; and from thence, which of the two is most advantageous to this same Trade, whether the raised or the lowered Specie.

As to the time which will furnish us with examples of these variations of Money, 'tis not necessary to go back to those remoter ages of *Philip le Bel*, nor of his immediate successors. Considerable enough instances have fallen out under our own eyes, and in our own age, to enable us to discover the truth which we are searching out. This period shall be reckoned from the general recoinage of our Money, which was made by virtue of the edict of *May 1709*, to the month of *April 1717*, when the Bank-notes commenced, passing over the cloudy period of *M. Law's* scheme, we shall resume our enquiry at the new coinage of the Specie, by the edict of *August 1723*: And we shall carry it down to the end of the year 1734. In these two intervals of time, we will find variations of our Money, both in the rising and falling, very proper to shew us plainly what effects both have had upon Exchange, and consequently upon our Trade.

If however we could have found out the course of exchange in a period more remote from our own time, we should have preferred it, because, according to the design we have of shewing that it is infinitely more advantageous to the people and to the King himself, to have recourse to any other means for raising the supplies which his Majesty may have occasion for, rather than to that of making any alteration whatsoever in the Coin, we are obliged to speak of all the expedients that have been used with respect to our Specie, and to represent the good or bad effects of them upon exchange, and consequently upon our trade. It may perhaps be thought, that we enter into this examination from a censorious criticising spirit; but we declare that to be far from being our intention; that our  
exami-



examination is design'd for our own instruction; nor have we any desire to censure the authors of those proceedings. The exigencies of State, and the circumstances in which they were involved, obliged them, perhaps against their inclination, to have recourse to those burdensom expedients.

In the space of time which we are going to survey, we shall see the same examples often return of raising, lowering, recoinng, or melting down the Specie: So that it needs not be surprizing likewise to find a repetition of nearly simlar reflections. We are obliged to follow the order of time, and consequently to repeat, upon an expedient which resembles the preceding one, much the same reasoning as upon the former.

*The State of our Money and exchange in 1709, before and at the time of the recoinage.*

The quantity of gold and silver Bullion, and, among others, of Piasters\*, which came into our Ports by the Maritime trade, was what occasion'd the recoinage, according to the edict of *April* 1709, of Lewidors of 32 to the Mark, fixed at 16 Livres 10 Sols, and of Crowns of 8 to the Mark, at 4 Livres 8 Sols.

Before this edict, the current Money consisted of Lewidors of  $36\frac{1}{4}$  to the Mark, and of Crowns of 9 to the Mark. The Arret of Council dated *November* 20, register'd *December* 10 1708, fixes this old Lewidor, against the first of *January* 1709, at 12 Livres 15 Sols each, and the Crown at 3 Livres 8 Sols. The proportion between Gold and Silver was then 15 to 1. And by the rates which the edict of *April* sets upon the new pieces of Money which it orders to be coined, this proportion is still 15 to 1. But the resolutions of this edict did not long continue; the multiplicity of reformations and coinages of Money having

\* A Spanish Coin, worth 54 pence Sterling.

produced in the publick a great number of pieces of different standards, it was thought of consequence to remedy the same by a new coinage, which was appointed by the edict of *May* 1709, register'd the 14th.

This edict ordains that the Lewidors, coined by virtue of the edict of *April* preceding of 32 to the Mark, shall pass for 20 Livres instead of 16 Livres 10 Sols, and the Crowns of 8 to the Mark for 5 Livres, instead of 4 Livres 8 Sols.

Here, no doubt, is the rise of one fourth, whereof our Author speaks in the 202d page of his Book, and to which he ascribes the preservation of the State. It changed the regular proportion between Gold and Silver, which was 15, into 16: Which raised the price of Gold, and lower'd that of Silver. We shall not repeat here what has been said above\*. It is not a fourth, but an eighth upon Silver, and a fifth upon Gold.

The new Species, which were order'd to be coin'd by this edict of *May*, were Lewidors of 30 to the Mark, weighing more than the preceding ones, and yet fixed only at 20 Livres, and Crowns of 8 to the Mark, estimated at 5 Livres. The effect of which was to lower the proportion of Gold a 16th, and restore the proportion of 15 to 1 between Gold and Silver, which the raising the Specie by the edict of *April* had changed.

These numerical values of the Lewidor at 20 Livres, and of the Crown at 5 Livres, continued all the rest of that year 1709, and during the following years 1710, 1711, 1712, to the first of *December* 1713: Thus they were fixed and constant for upwards of four years and a half.

On the 28th of *January* 1709, the exchange of *Paris* upon *Amsterdam* was at 87 gros for our Crown of exchange, which is always three of our Livres; and

\* Chap. 1. Art. 4. p. 24. & sequ.

on the first of *February* it was at 88, and our Crown of 9 to the Mark passed for 3 Livres 8 Sols.

This is the state which our Monies and Exchange were in at the beginning of 1709: The only remaining question is, whether this exchange was advantageous to us, or the contrary? In order to find out this, we must know what was the real par of our Crown of exchange at that time against the gros in *Holland*, with respect to the standard, weight, and numerical value of the Coins which were current in *France* and *Holland*, in *January* and *February* 1709. This is what the solution of the following Problem will give us with the utmost exactness.

*The Crowns which were current in France, were at 10 penny weight 22 grains of standard, at the rate of 9 to the Mark, and passed for 3 Livres 8 Sols apiece.*

*The Crowns or Rixdollars of standard Holland, at 10 penny weight 5 grains of Silver, at the rate of  $8\frac{3}{4}$  to our Mark, passed for 100 gros \* of current Money, or 96 of Bank-Money.*

*What was the par of the French Crown of exchange, which is always 3 Livres, against gros, according to these two Hypotheses?*

\* Or 59 Stivers, for a Gros is half a Stiver, or 8 Penninga.

The first Calculation for the  
Current Money,

$x$ Deniers	=	3	Livres
$3\frac{1}{2}$ Livres	=	1	Crown
12 Crowns	=	$10\frac{1}{2}$	stand.
9	=	1	Mark
1 Mark	=	$8\frac{1}{9}$	r.
$10\frac{1}{2}$ r.	=	12	stand.
1	=	100	d.

17	5
245	24
12	131
19	160
3	2
49	

On this side the following terms  
are multiplied continuedly into  
one another, viz.

	100
17	131
19	160
3	2
49	

$$47481x = 4192000$$

$$x = 88\frac{7}{8}$$

The second Calculation for the  
Bank-Money.

$x$ Deniers	=	3	Livres
$3\frac{1}{2}$ Livres	=	1	Crown
12 Crowns	=	$10\frac{1}{2}$	
9	=	1	Mark
1 Mark	=	$8\frac{1}{9}$	
$10\frac{1}{2}$	=	12	
1	=	96	d.

17	5
245	24
3	131
12	160
19	32
49	2

And on this side the following  
terms, viz.

17	131
19	160
49	32
	2

$$15827x = 1341440$$

$$x = 84\frac{1}{2}$$

According to the first calculation above, the par required was  $88\frac{7}{8}$  Gros current Money, supposing, as all the Authors do who have treated of foreign exchange, that the Rixdollars are worth 50 Sols of our Money, or 100 Gros: But as this Rixdollar is taken at the Bank of *Amsterdam* only for 48 Sols, or 96 Gros of Bank Money, and by the statutes of that city for exchange, made the 11th of *December* 1643. part 3. B. I. tit. 8 and 9. All letters of exchange to the sum of three hundred florins and upwards must be paid in Bank-Money, under pain of forfeiting twenty-five Florins, and of holding the payment not valid, whatever conditions, clauses and

and stipulations they may contain, or may be inserted into them by the acceptor; we must have recourse to the par in Gros of Bank-Money, which was  $84\frac{3}{4}$ , according to the second calculation. This par, in Bank-Money, is what we shall still follow in the Sequel of this Chapter.

## ARTICLE II.

*Examination of the course of exchange from the 1st of January 1709, to the end of September 1713.*

According to these calculations, he who gave 3 Livres at *Paris*, and who received  $88\frac{7}{8}$  Gros of current *Dutch* Money, or  $84\frac{3}{4}$  Gros of Bank-Money, received weight for weight, and standard for standard, precisely as much as he gave. If he received more he was a gainer, and if he received less he was a loser.

Now in *January* 1709 the exchange was at 87 Gros, and on the first of *February* at 88, that is to say  $2\frac{1}{4}$  and  $3\frac{1}{4}$  Gros above the par  $84\frac{3}{4}$  of Bank-Money: That was from  $2\frac{1}{8}$  to  $3\frac{1}{8}$  per cent. which the *French* received more than they gave. Which shews us that the trade which we then carried on with that nation in Bank-Money, was to our advantage from  $2\frac{5}{16}$  to  $3\frac{3}{16}$  per cent.

### *The Lowering of the Specie.*

The arret of council, dated *February* 19, 1709, registered the 4th of *March*, and published the 26th, reduces the old *Lewidor* to 12 Livres 10 Sols, and the old Crown to 3 Livres 7 Sols, this is a fall of 5 Sols per *Lewis*, and of one Sol per Crown.

On the 8th of *March* the exchange was at 85 Gros, and as this fall of the Coin brought the par to 86 Gros Bank-Money, the exchange was one Gros below it, and to our disadvantage  $1\frac{7}{8}$  per cent. Thus this fall  
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made us lose not only the advantage which we had before, from  $2 \frac{5}{8}\%$  to  $3 \frac{3}{8}\%$  *per cent.* but also  $1 \frac{7}{8}\%$  *per cent.* more ; which makes a difference in our prejudice between 4 and 5 *per cent.*

The edict of *April* register'd the 22d, in consequence of which there was a new coinage of Lewidors of 32 to the Mark, and of Crowns of 9 to the Mark, gives these pieces the same current value with those that were coined by virtue of the arret of *February* 19 ; but it fixes the mark of those Crowns carried to the Mints at 32 Livres 10 Sols : This was as if they had been received upon the foot of 3 Livres 12 Sols  $2 \frac{2}{3}$  Deniers each, which produced a rise of 5 Sols *per* Crown : But the execution of this edict was of no great extent ; it was interrupted by that of *May* following. Thus the current value of those Species, according to the arret of *February* 19, publish'd the 26th of *March*, still took place, and consequently the par was 86 in Bank-Money.

Now on *April* 25, 1709, the exchange was at 84 Gros. It was therefore 2 Gros below par, which still caused a loss to us of  $2 \frac{1}{4}\%$  *per cent.*

The edict of *May* following, register'd the 14th, and publish'd the 18th in the morning, orders this Crown of 9 to the Mark to be received in the Offices and Royal Receipts, at the rate of 3 Livres 10 Sols, and the Mark in the Mints at 32 Livres 10 Sols.

*The rise of Gold in the proportion of  $\frac{1}{3}$ , and of Silver  $\frac{1}{4}$ .*

This edict orders a new Coinage of Lewidors of 36 to the Mark, fixed at 20 Livres, and of Crowns of 8 to the Mark, at 5 Livres. It raises the Lewidor of 32 to the Mark, which was at 16 Livres 10 Sols to 20 Livres, as the new Lewidor ; and the Crown of 8 to the Mark to 5 Livres, instead of 4 Livres 8 Sols. Thereby it advances the price of the Mark of coined Gold to 640 Livres, and that of Silver to 40 Livres.

And

And by fixing the Mark of the old Lewidors at 487 Livres 10 Sols, and that of the old Crowns at 32 Livres 10 Sols, it leaves between the old Gold and the new a difference of 152 Livres 10 Sols, or of  $31\frac{2}{3}$  per cent. and between the old Silver and the new a difference of 7 Livres 10 Sols, or of  $23\frac{1}{3}$  per cent.

These two differences are not equal as they ought to have been ; and this inequality was a disorder and disproportion in the numerical value affixed to those Species. This vast disproportion between the price of those old Species and that of the new, is an exception to the general rule resulting from the principles laid down in the preceding article of this Chapter, which difference must needs have occasion'd the old Species to be sought after and transported into Foreign Countries ; whence, after having melted them down, and recoin'd them into new ones, they were returned to us, which always makes the exchange fall to our disadvantage. And in that case Foreigners gain thereby a good part of the profit which would have fallen to the King : This is a real loss to the State ; which must be understood in the sequel, every time we have occasion to use the same reasoning.

It is true, the edict of *May*, by fixing at 20 Livres the new Lewidors of 30 to the Mark, which it orders to be coined, reduces the Mark of these new Lewidors to 600 Livres ; which restored the proportion of 15 to 1 between Gold and Silver, and left between the old Gold and the new only a difference of 112 Livres 10 Sols, or of  $23\frac{1}{3}$  per cent. as is that of the old Silver to the new ; but equaling this pernicious difference, is far from taking it away ; consequently the disorder of a heavy and light Money still subsists. It is not difficult to apprehend that those sorts of operations cannot be favourable to our Commerce ; and that this raising the proportion of Gold a fifth, and of Silver an eighth, neither was, nor possibly could prove a means of saving the State, as our Author says in the 202d page of his book,

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This edict and arret of *May* 14, publish'd the 20th, proportion the value of the old Specie near to an equality with that of the new, by settling the old Crown of 9 to the Mark, at 3 Livres 10 Sols ; which reduces the par to  $82\frac{1}{3}$  Gros of Bank-Money. Now on the 25th of the same month of *May*, the exchange was at  $84\frac{1}{3}$  Gros : This was  $2\frac{1}{3}$  above par, and consequently to our profit  $2\frac{1}{3}\frac{1}{5}$  per cent. which shews us the necessity there was of raising the old Specie, in order to proportion them to the new, or to lower the new ones to adjust them to the proportion of the old.

The arret of *June* 4, 1709, publish'd the 7th, brings the old Specie near to an equal value with the new, by fixing the Crown at 3 Livres 12 Sols ; but the arret of the 25th of the same month, publish'd the first of *July*, reduces it to 3 Livres 10 Sols. Those of *July* 20 and *August* 13 confirm this rate. On the first of *October* they are still reduced to 3 Livres 7 Sols ; and they are to be no more current nor taken in payments against the first of *January* 1710, according to arrets of *December* 7 and 28, *Anno* 1709. These are alterations of Money which are unfavourable to the exchange.

This exchange was on the 12th of *July* at 86 Gros ; that was  $3\frac{2}{3}$  above the par  $82\frac{1}{3}$  Bank-Money, which make  $4\frac{4}{5}\frac{1}{5}$  per cent. in our favour : The mark however of those Crowns was still received at the Mints upon the foot of 32 Livres 10 Sols, which was the same thing as if those Crowns had been received at the rate of 3 Livres 12 Sols a-piece ; at this rate the par was  $80\frac{1}{3}$  Gros of Bank-Money : And the exchange during all the rest of that year 1709, kept between 86 and  $83\frac{1}{3}$ . It was therefore still above par from  $5\frac{1}{3}\frac{1}{3}$  to  $3\frac{2}{3}\frac{1}{3}$  Gros : Which brought an advantage to us of between  $7\frac{4}{5}\frac{4}{5}$  and  $4\frac{2}{5}\frac{2}{5}$  per cent, notwithstanding all those variations that happened to the old Specie. Those alterations in the Specie extremely embarrass our trade ; whereby the revenues of the State, and of every pri-  
vate



vate person must suffer, which shews us evidently the advantage of keeping our Coin fixed and invariable.

A N N O 1710.

On the first of *January* this year 1710, the old pieces were cried down; they were no longer current by virtue of the arrets of his Majesty's Council of State, dated *December* 7 and 28, 1709: They were only received in the Offices and in payment of the King's revenue at the rate of 13 Livres 10 Sols the Lewidor, and of 3 Livres 13 Sols the Crown. In the mean time these same arrets order the Species and gold and silver Bullion, which shall be carried to the Mints without Mint-bills, to be paid there upon the foot of 508 Livres 15 Sols the mark of old Lewidors, of *Spanish* Pistoles, and gold Leopolds of *Lorain*, and of 33 Livres 18 Sols 4 Deniers the mark of Crowns, Piasters, and silver Leopolds of *Lorain*. Which was the same thing as if those Crowns had been received at the Mint, upon the foot of 3 Livres 15 Sols 4 Deniers a-piece: This is manifest.

*The raising of the old Species.*

This rise of the old Species brings again their rate near to that fixed for the new; it reduces the par to  $76 \frac{5}{8}$  Gros Bank-Money, the Crown being reckon'd at 3 Livres 15 Sols, as above. Now the course of exchange during this year 1710, was at these rates, 80,  $80 \frac{1}{4}$ , 81 and  $81 \frac{1}{4}$ ; that is to say, it was between  $3 \frac{1}{8}$  and  $4 \frac{1}{8}$  Gros above par, and between  $4 \frac{1}{8}$  and  $5 \frac{1}{8}$  *per cent.* to our advantage: Which shews us very plainly the necessity of abolishing the difference that is still subsisting between the old Specie and the new, whereby none makes any profit but the King, and whom we call *Billonneurs*, or those who carry on an illicite trade of buying and selling Money, melting it down, and exporting Bullion, &c.

*The*

*The lowering of the old Species.*

The Declaration of *October 7, 1710*, register'd in Parliament the 14th, and in the Court of Mint the 22d of the same month, restored the currency of the old Species upon the foot of 13 Livres the Lewis, and of 3 Livres 10 Sols the Crown-piece, and the mark of those Crowns at 32 Livres 10 Sols; this is at the rate of 3 Livres 12 Sols apiece. This fall of 5 Sols *per Crown*, restores the par of our Crown of exchange to  $82 \frac{1}{4}$  Gros Bank-Money. Now on the 16th of *November* the exchange was at 81: This was  $1 \frac{1}{4}$  Gros below par, or  $1 \frac{6}{100}$  *per cent.* in our prejudice. The suppression of the old Species, set us upon an advantage between  $4 \frac{1}{100}$  and  $5 \frac{7}{100}$  *per cent.* and their restoration makes us lose  $1 \frac{6}{100}$  *per cent.* This makes a difference in our prejudice of between  $5 \frac{7}{100}$  and  $7 \frac{3}{100}$  *per cent.* the mean whereof was  $6 \frac{5}{100}$  *per cent.*

## A N N O 1711.

During the 10 first months of 1711, when things remained in this situation, the exchange was at  $77 \frac{1}{4}$ , 77, 74,  $74 \frac{1}{4}$ ,  $71 \frac{3}{4}$ ,  $71 \frac{1}{4}$  and 72. Now the old Crown being reckon'd at 3 Livres 12 Sols, the par of the Crown of exchange was  $80 \frac{1}{4}$  Gros of Bank-Money: The exchange was therefore from  $2 \frac{7}{100}$  to  $8 \frac{4}{100}$  Gros below par, which caused a loss to us from  $3 \frac{4}{100}$  to 10 *per cent.*

It is therefore plain, that the crying down of those old pieces had been advantageous to us, and that their restoration in the publick, at a rate so disproportion'd to the new, as that upon the foot whereof the above declaration restored them, makes us lose not only the advantage we had during their suppression; but it sinks us likewise into a prodigious disadvantage. This is the effect of disproportion between the old and the new Specie. Is it not shameful, that we ourselves should labour to ruin our own trade, to the advantage of our  
neigh-

neighbours, whose sole business it is to support and improve theirs?

A year passed before we came to be sensible of this disorder; but at length it was sensibly felt. As an effectual remedy for it, there was a necessity either to suppress the currency of those old Species altogether, or raise their value in proportion to that of the new; or else lower the value of the new, so as to bring them near to a level with the old: But neither of these means would have satisfied the exigencies of the State at that time. The next best method was therefore taken, namely, to diminish the evil, and redress it in part, by giving those old Species a value nearer to that of the new.

*The raising of the old Species.*

This was done by the King's declaration of *October* 24, 1711, register'd the 27th, and publish'd the 29th; which fixes the mark of the old Lewidors at 561 Livres, and that of the old Crowns at 37 Livres 8 Sols: This was as if they had been received at the rate of 4 Livres 3 Sols apiece.

This rise of the old Species reduced the par of their Crown of exchange to  $69 \frac{4}{100}$  Gros Bank-Money. Now the very day after the publishing of this declaration, that is to say, the 30th of *October*, the exchange was at  $71 \frac{1}{4}$ , on the 5th of *November* at  $75 \frac{1}{4}$ , on the 12th at  $71 \frac{3}{4}$ , on the 16th at 71, on the 27th at  $71 \frac{1}{4}$ , and on the 30th of *December* at  $71 \frac{1}{2}$ . It was therefore between  $2 \frac{3}{100}$  and  $1 \frac{6}{100}$  above par; which made from  $3 \frac{3}{100}$  to  $2 \frac{1}{4}$  per cent. in our favour; and on the 5th of *November* our advantage was  $8 \frac{7}{100}$  per cent. This declaration therefore made us recover all the loss which we had suffered of between  $3 \frac{4}{100}$  and 10 per cent. and  $3 \frac{3}{100}$ , and  $2 \frac{1}{4}$  per cent. besides, as above: Which brought about a difference in our favour of between  $6 \frac{7}{100}$ , and  $12 \frac{1}{4}$  per cent. This proves that

*to raise the old Species, in order to proportion their value to the new, is a good expedient.*

A N N O 1712.

According to the declaration of the 24th of *October* 1711, the mark of Lewidors, of *Spanish* Pistoles, and of gold Leopolds of *Lorain*, is reduced on the first of *January* in this year 1712, to 540 Livres; and that of the old Crowns, Piafters, and silver Leopolds of *Lorain*, to 36 Livres: This was as if those Crowns had been received upon the foot of 4 Livres each. And with a view to make them circulate, this declaration advertised that they were to be lowered against the first of *February* following: But as they were not carried to the Mints, where they were expected, this fall was several times prorogued. The arret of Council, dated *November* 29, gives notice of the last prorogation, and that the lowering was to take effect on the first of *January* 1713.

*The Lowering of the old Species.*

That old Crown of 9 to the mark, which was received before in the Mints upon the foot of 4 Livres 3 Sols, being now only upon the foot of 4 Livres, is lower'd 3 Sols; and by this procedure which settles a great difference between their value and that of the new, the par upon *Amsterdam* is brought to  $72\frac{1}{3}$  Gros of Bank-Money, and that upon *London* to  $40\frac{1}{2}$  pence Sterling.

Now during the eleven first months of this year 1712 the exchange of *Paris* upon *Amsterdam* was about these rates, 71,  $70\frac{1}{4}$ ,  $70\frac{1}{2}$ ,  $70\frac{1}{4}$ , 70,  $69\frac{3}{4}$  and  $69\frac{1}{2}$ , all of them below par between  $1\frac{1}{3}$  and  $2\frac{5}{6}$  Gros; which made our trade suffer between  $2\frac{8}{100}$  and  $3\frac{5}{100}$  per cent. If to this loss we add the advantage we had at the end of 1711, which was from  $3\frac{3}{100}$  to  $2\frac{1}{4}$  per cent. we shall see that this lowering of the old Species, widening the diffe-

difference between their value and that of the new, instead of bringing them nearer to an equality, occasioned a loss to us of  $5\frac{4}{100}$ , and  $5\frac{7}{100}$  per cent. Thus to lower the old Species, so as to widen the difference between their value and that of the new, is to encrease the disproportion and consequently a very bad expedient.

The exchange between *Paris* and *London* was on the 22d of *November* 1712, at  $42\frac{1}{2}$ , and on the 24th at  $41\frac{1}{4}$  pence Sterling; it was therefore above the par, which was  $40\frac{1}{4}$ , from  $1\frac{7}{8}$  to  $\frac{5}{8}$  d. Sterling: which made a profit from  $4\frac{6}{100}$  to  $1\frac{5}{100}$  per cent. in our favour, the mean whereof was  $3\frac{7}{100}$  per cent.

The situation which these expedients lay before us, to us appears pretty singular, and to deserve some consideration. We have now seen that we were losers with *Holland* from  $2\frac{8}{100}$  to  $3\frac{5}{100}$  per cent. And at the same time that we had the advantage with *England* from  $4\frac{6}{100}$  to  $1\frac{5}{100}$  per cent: Here then in these two places of exchange is a difference with respect to us from  $6\frac{6}{100}$  to  $5\frac{5}{100}$  per cent. Such an inequality never can happen in the common course of trade, or if it happens it cannot be of long continuance. One State may take from us a great deal more than another, and than what we take from it, and thereby become our debtor; which would make the exchange rise in our favour, while it may be at par, or in our prejudice with another State; but this situation lasts no longer than till the balance be paid up, which will not be long owing, because every delay of that kind would be disadvantageous to the State Debtor. On the other side, the transportation of our old Species, which perhaps was with better will, as well as with more ease carried over into *Holland* than into *England*, might possibly occasion some disadvantage to us with *Holland*: But be that as it will, it follows still from those expedients, that our alterations of the Coin are burdensome to ourselves, and that the further the value of the old Species is from that of the new, the more is their circulation, and consequently trade impaired.

*ed*; because that which is lowest valued in *France*, remains there hoarded up, or passes into foreign countries; which makes us fall under those disadvantages explained above \*, which shall be repeated here.

If the Specie remains hoarded, it is a stock which becomes useless to the publick, and even to the owner himself; which encreases distrust, cramps circulation, and consequently trade.

If it passes into foreign countries, it will be there melted down and recoined into new Species: By which means foreigners gain the profit which the King ought to have got by it, which causes a real loss to the State; and besides, that transported Money turns out of work all those whom it might have employed, which impairs the revenue and the value of the country, as well as its manufactures, and the number of its inhabitants †; whence it evidently follows, *that there never should be two Species of Money in a State whose values are disproportioned to one another.* These expedients are contrary to our own true interest.

Abstracting from the fall of the Coin on the first of *January* this year, we may say that the declaration of the 24th of *October* 1711, still left between the value of the old Species and that of the new too considerable a difference, to make the publick inclined, as was desired, to carry their old Species and gold and silver Bullion to the Mints.

Accordingly, they were not brought thither so soon, and in so great quantities as was wish'd for. To hasten them forward attempts and threatnings were used to lower them, by the arrets of Council in *April* 5, *May* 28, *August* 30, *October* 29, and *November* 29, of this same year 1712; but all proved ineffectual. The Ministry was obliged, in order to bring them forth into circulation, and to give not only motion to that part

\* Chap. 1. Art. 6.

† As has been said before, chap. 1. art. 6:

which

which, for want of circulating, was become an useless stock to the Publick, and even to the owners themselves, but also to restore uniformity in the Coins; a thing so necessary for the good of trade; they were obliged, I say, entirely to give up with the profit of converting those Species and Bullion carried to the Mints till the first of February next 1713. These are the terms of the King's declaration December 10, 1712, register'd and publish'd the 16th, whereby his Majesty ordains, that from the day of publishing that declaration, to the first of February next, the old Species and gold and silver Bullion shall be received in the Mints, and by the Money-changers establish'd in the several cities of the Kingdom, and paid in ready Money, at the rate of 585 Livres the mark of old Lewis, and of 39 Livres that of the old Crowns.

*The rise of the old Specie.*

In order to bring those old pieces into circulation, this declaration intimated a lowering of the Coin against the first of February 1713: And seeing the event did not answer expectation, this lowering was prorogued to the first of April following, by the arrears of January 31 and February 21.

The rise of the old Specie having brought its value near to that of the new, reduced the par of the old Crown of exchange to  $66 \frac{1}{4}$ . Now during the rest of December 1712, the exchange was at 70 and  $69 \frac{3}{4}$  Gros, which was  $3 \frac{1}{2}$  and  $3 \frac{1}{4}$  Gros above the par  $66 \frac{1}{4}$  Bank-Money, or  $5 \frac{26}{100}$  and  $4 \frac{8}{100}$  per cent. in our favour.

Upon London the par of the old Crown of exchange was  $37 \frac{1}{2}$  pence sterling. The exchange between Paris and London was on the 27th of December the same year 1712, at  $41 \frac{7}{8}$ : That was  $4 \frac{1}{8}$  pence sterling above par, or  $11 \frac{2}{3}$  per cent. to our profit.

These effects shew us plainly, that those old pieces were no sooner brought nearly to a proportional value with the new ones than our trade recover'd, as we have

now seen with the highest evidence; and this is a manifest proof, that it was kept at under, only because the old and the new Species were disproportion'd to one another, and those pieces which were the least raised, or which gave the lowest price, remain'd a dead and inactive stock, or were transported out of the Kingdom\*. This is what will ever happen, as often as the King shall leave between them so great a disproportion in their value, as was for a long time between those old and new Species.

*The nine first months of 1713.*

During the month of *January* 1713, the exchange was from  $69 \frac{1}{4}$  to  $69 \frac{1}{2}$ : This was still above the par  $66 \frac{1}{4}$  from  $3 \frac{1}{4}$  to 3 Gros; which made  $4 \frac{5}{16}$  and  $4 \frac{1}{2}$  per cent. to the advantage of our trade.

The exchange of *Paris* upon *London* was on the 9th of *January* 1713, at  $39 \frac{1}{4}$  pence sterling. It was therefore  $1 \frac{1}{4}$  sterling above the par  $37 \frac{1}{2}$ , making  $4 \frac{2}{3}$  per cent. to our profit.

Here are the exchanges of *Amsterdam* and *London* upon a level, making both of them  $4 \frac{2}{3}$  per cent. to our advantage: Thus the inequality found between them in the month of *December* the last year†, did not long subsist; nor indeed was it possible, in the nature of the thing, that it could last long.

And during the months of *February*, *March*, *April*, *May*, *June*, *July*, *August* and *September*, 1713, the exchange varied between 68,  $68 \frac{1}{4}$ , and  $67 \frac{1}{2}$ . This was  $1 \frac{3}{4}$ ,  $1 \frac{1}{2}$  and 1 Gros above the par of the Bank-Money; consequently to our advantage from  $2 \frac{5}{16}$  to  $2 \frac{1}{4}$  and  $1 \frac{2}{3}$  per cent. which advantage, diminish'd by the reports raised about the falls of the Coin that were advertised by the arret of *September* 30, which we are coming to.

\* See the consequences of this above chap. 1 art. 6.

† Above pages.



# Index

11  
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1  
7  
1  
1

234



With <i>HOLLAND.</i>		With <i>ENGLAND.</i>	
Advantage	Disadvantage.	Advantage	Disadvantage.
$2\frac{63}{100}$ to $3\frac{63}{100}$	$1\frac{16}{100}$ to $1\frac{16}{100}$ $2\frac{32}{100}$ to $2\frac{32}{100}$		
$2\frac{62}{100}$ to $2\frac{62}{100}$ $7\frac{44}{100}$ to $4\frac{94}{100}$ $4\frac{11}{100}$ to $5\frac{73}{100}$	$1\frac{61}{100}$ to $1\frac{61}{100}$ $3\frac{48}{100}$ to 10		
$3\frac{22}{100}$ to $2\frac{25}{100}$	$2\frac{8}{100}$ to $3\frac{52}{100}$	$4\frac{61}{100}$ to $1\frac{33}{100}$ $11\frac{66}{100}$ to $11\frac{66}{100}$ $4\frac{66}{100}$ to $4\frac{66}{100}$ $1\frac{33}{100}$ to $1\frac{33}{100}$	
$5\frac{26}{100}$ to $4\frac{18}{100}$ $4\frac{88}{100}$ to $4\frac{10}{100}$ $2\frac{63}{100}$ to $1\frac{66}{100}$			
$2\frac{81}{100}$ to $30\frac{41}{100}$ $0\frac{41}{100}$	$10\frac{63}{100}$ to $18\frac{61}{100}$ $18\frac{61}{100}$	$22\frac{26}{100}$ to $19\frac{18}{100}$ $19\frac{18}{100}$	
$3\frac{32}{100}$ $1\frac{66}{100}$	$29\frac{26}{100}$ $14\frac{68}{100}$	$41\frac{44}{100}$ $20\frac{72}{100}$	

On the first of *September* 1713 the exchange of *Paris* upon *London* was at 38 pence sterling, this was  $1\frac{1}{2}$  penny above the par, or  $1\frac{1}{3}$  per cent. in our favour.

These are the effects of lowering the Coin which are even felt beforehand : They diminished our advantage upon *Amsterdam* and *London* more than 3 per cent.

Before we come to those falls of the Coin that were advertised by the arret of Council, *September* 30, I shall briefly give a recapitulation of the advantages of our trade, from the month of *January* 1709, to the end of *September* 1713 \*.

Notwithstanding the frequent variations that beset our old Coins, and the prodigious difference that has always been between their value and that of the new, yet we see by the annexed table that our trade was upon the whole rather advantageous to us than the contrary, since our advantage at a medium, taken between the highest and the lowest, is here represented to be for *Holland*  $31\frac{6}{100}$ , whereas our disadvantage also at a medium, is only  $14\frac{6}{100}$  : Thus the mean advantage is to the mean disadvantage, as 3166 is to 1468, or as  $2\frac{3}{5}$  is to 1.

And with *England* our mean advantage, from the beginning of 1712 is represented by  $20\frac{2}{100}$  without any disadvantage. That Kingdom therefore had taken more of our commodities, arts and manufactures, than we had taken from thence : This is what makes our trade advantageous.

To what a pitch then might our trade have arrived, had it not been disturbed and cramped by all these alterations of our old Specie, and still more by the considerable difference that has always been left between their value and that of the new ? For nothing brought it under any disadvantage but one or both of these two cases. 'Tis proper to remark that these events happened to the heavy Money, which our Author alledges to be prejudicial to our trade. This old Money was only

\* See the Table quoted p. 163.

at the rate of 32 Livres 10 Sols the mark till the 24th of *October* 1711, when it was raised to 37 Livres 8 Sols, on the first of *January* 1712 to 36, and on the 10th of *December* following to 39 Livres. The new, which was coined in 1709, was only at the rate of 40 Livres. Both of them were heavy Money, in comparison of our present Coin, which is at the rate of 49 Livres 16 Sols the Mark, which by consequence is higher than that in 1709 by  $24\frac{1}{2}$ , that is, near a fourth, and by  $27\frac{2}{3}$  per cent. than the old Specie. We shall however see that in 1709 further lower'd.

The arret of Council dated *September* 30, 1713, intimates no less than eight falls of that same Specie of 1709, to follow one another at the distance of two months, each at the rate of 10 Sols per Lewidor, and of two Sols and a half per Crown. The first to take effect on the first of *December* following: It reduces the Lewidor from 20 Livres to 19 Livres 10 Sols, and the Crown from 5 Livres to 4 Livres 17 Sols 6 Deniers.

We enter not into the reasons the Government had for these falls; they were perhaps agreed to by a secret article of the peace concluded on the 11th of *April*, in the same year 1713, with *England, Holland, Prussia*, and the King of *Sicily*: For that with the Emperor was not sign'd till the 7th of *September* 1714. We shall see, in the subsequent article, what influence these falls had upon foreign exchange, and consequently upon our Trade.

### ARTICLE III.

*Wherein we continue to examine the effects of our alterations of the Coin upon exchange, from the first of October 1713, until the end of September 1715.*

THE Minister of the Finances says nothing of the falls of the Coin appointed by the arret of *September* 30, 1713, in the memoirs which he has given

given of his administration ; here however is the pretext for it, as we find it in that arret.

*His Majesty having considered, that the Motives which induced him to raise the value of Specie and Bullion during the War, are now at an end by the peace which is concluded between his Majesty and most of the Princes and States in Europe ; and the good of trade and the advantage of his subjects, making it absolutely necessary to restore the said Specie, as soon as possible to a foot proportion'd to the current value which it has in foreign countries : His Majesty judged it high time to begin to bring them near to their just value, and to give notice from this date, to what value they are to be reduced. But in order to make the falls the less sensible, his Majesty has thought fit to divide them, and thereby to put his subjects in a condition to avoid loss thereby, by taking such measures in the several intervals, as may be most convenient for their interests in general, and their trade in particular.*

According to this representation, the pretext was the good of the publick, or rather that of trade and the advantage of the subjects. It was doubtless intended to make Money more common, and not so dear to traders and people of business. The exchange will shew us whether the effects were answerable to the intention : But we may say beforehand, that whatever advantage might be promised from this expedient, it never could compensate the loss which the State sustained by the Money it caused to be exported. Besides, it is well known that edicts publish'd before the time, to forestel the rise or fall of the Coin, and the acts of prorogation of a term fixed by preceding ones, are very disheartning to every body. The subject, as well as the foreigner, seeks to remove the seat of his trade and effects from a country where Money, whose numerical value ought to be fixed, is in a continual flux : They will no longer venture their stock there, but chuse rather to let it lie dead in those foreign coun-

countries, or lay it out there at a low interest, than to be obliged to submit to the losses that they must otherwise suffer. At the end of each term every one is willing to pay, while no body would willingly receive: Money then is in a great career, and it disappears so soon as the term is over. If the design which those arrears seem to propose, has sometimes succeeded, the same success is what cannot be always depended upon. The refined experience, and the advantage that may be reap'd from so extraordinary a maxim, is not to be compared with the damage which the whole trade of the Kingdom suffers thereby. On the other side, the passion of fear operating always more strongly than hope, every one prefers the keeping up of his merchandize to the exposing it to sale, under the fear of losing upon Money, more than he would gain by selling it at a reasonable price; which makes Commodities to rise, at the very time they should fall as the Specie\*.

Here we see what were the falls of our Coin, and the par of our Crown of exchange with respect to *Holland* and *England* after each fall; and also what the exchange was at that time upon those two States, which shews us the effect which those falls had upon exchange, and consequently upon our Trade. The pars, as to *Holland*, are in Bank-Money.

Before the rumour was spread of the falls of the Coin, the exchange upon *Holland* was  $4\frac{2}{3}$  per cent. to our advantage, and that upon *England* the same.

We see by this state of the course of exchange, that in the month of *October* it was upon *Holland* at  $67\frac{1}{4}$  Gros. This was  $\frac{3}{4}$  above the  $66\frac{1}{2}$  and  $1\frac{1}{4}$  per cent. to our advantage: Thus the bare rumour of those falls made us lose more than  $3\frac{1}{2}$  per cent. of our profit with that State.

Upon *London* the exchange was on the 14th of *October* at  $37\frac{1}{2}$  pence Sterling; this was  $\frac{1}{4}$  above the par

\* See the two Tables quoted p. 166A

per 30, 1713.

d as follows, viz.

	Par of the Crown of exchange for <i>Holland</i> .	Par of the Crown of exchange for <i>London</i> .
	l.	l.
The first of <i>December</i>	$66\frac{1}{2}$ Bank-Money	$37\frac{1}{2}$
The first of <i>February</i>	$68\frac{1}{4}$	$38\frac{4}{8}$
The first of <i>April</i>	$70\frac{9}{16}$	$39\frac{3}{8}$
The first of <i>June</i>	$72\frac{4}{16}$	$40\frac{1}{4}$
The first of <i>September</i>	$76\frac{2}{16}$	43

On the first of *December* to 4 Livres; but the arret of Council  
z.

On the fifteenth of	$78\frac{9}{16}$	$44\frac{3}{8}$
On the first of <i>Decem</i>	$81\frac{4}{16}$	$45\frac{1}{8}$

Ang falls to be thus:

On the first of <i>Febru</i>	$83\frac{6}{16}$	$47\frac{1}{8}$
On the first of <i>April</i>	$86\frac{5}{16}$	$48\frac{3}{4}$
On the first of <i>June</i>	$89\frac{4}{16}$	$50\frac{1}{8}$

And on the first of *Aut* but the arret of *July* 23, 1715, ordains  
that during the monewidors shall be current for 14 Livres  
10 Sols, the Crown

The first of <i>September</i>	$92\frac{6}{16}$	$52\frac{3}{8}$
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14

*Fronting Page 167.*



$37\frac{1}{2}$  or  $\frac{1}{4}$  per cent. in our favour. It was before that  $4\frac{1}{4}$  per cent. to our advantage, therefore the meer rumour of those falls brought it down  $4\frac{1}{4}$  per cent. in our prejudice.

On the 24th of *November* the exchange upon *Amsterdam* was at 65 Gros. This was  $1\frac{1}{4}$  below par and  $2\frac{1}{4}$  per cent. to our loss. Now we had gained  $4\frac{2}{3}$  per cent. by the very rumour therefore of the falls of the Coin we lost  $6\frac{1}{4}$  per cent.

Upon *London* the exchange was on the 16th of *November* at 37 pence, which was  $\frac{1}{4}$  below the par  $37\frac{1}{2}$ , or  $1\frac{1}{4}$  per cent. to our loss. We gained before  $4\frac{2}{3}$  per cent. the report of the falls of the Coin makes us therefore lose 6 per cent. with *England*, and near 7 with *Holland*.

*The first Fall.* In *December* 1713, the exchange upon *Amsterdam* was at  $65\frac{1}{2}$  Gros, one Gros below par, or  $1\frac{1}{4}$  per cent. in our prejudice.

In *December* the exchange upon *London* was at 36 pence Sterling; this was  $1\frac{1}{4}$  pence below the par, or  $4\frac{1}{8}$  per cent. to our disadvantage.

This fall had produced its effect from the month of *November*: it was reckoned upon as executed.

#### A N N O 1714.

In *January* 1714, the exchange upon *Holland* was  $63\frac{1}{2}$ ,  $63\frac{3}{4}$  and 64 Gros, that was from 3 to  $2\frac{1}{4}$  Gros below par, and from  $4\frac{1}{16}$  to  $3\frac{7}{16}$  per cent. to our disadvantage.

Upon *London* the exchange and the par being the same as in the preceeding month, the disadvantage is likewise the same.

*The second Fall*, which happened the first of *February*, raised the par upon *Amsterdam* to  $68\frac{1}{4}$ , and upon *London* to  $38\frac{1}{4}$ ; throughout this month the exchange upon *Holland* was from  $65\frac{3}{4}$  to  $64\frac{3}{4}$ , this was below par  $2\frac{1}{4}$  and  $3\frac{1}{2}$ , and in our prejudice from 4 to  $5\frac{1}{4}$  per cent.

Upon *London* the exchange was at 36 pence Sterling, this was  $2\frac{1}{2}$  pence below par, and to the disadvantage of our trade  $6\frac{1}{2}$  per cent.

Throughout the month of *March* the exchange upon *Holland* fluctuated from  $64\frac{1}{4}$  to 64 below par from  $4\frac{1}{4}$  to 4 Gros, and from  $6\frac{2}{100}$  to  $5\frac{6}{100}$  per cent. against us.

The third Fall, which happened the first of *April*, raised the par of our Crown of exchange upon *Holland* to  $70\frac{2}{100}$ ; and upon *London* to  $39\frac{1}{100}$ . The exchange upon *Amsterdam* fluctuated this whole month from  $65\frac{1}{2}$  to 67 and  $64\frac{1}{2}$ , this was  $4\frac{1}{2}$ , 3 and  $5\frac{1}{2}$  Gros below par, and consequently from  $6\frac{1}{2}$  to  $4\frac{1}{2}$ , and  $7\frac{1}{2}$  per cent. to the disadvantage of our trade.

Upon *London* the exchange was at 36 and  $36\frac{1}{2}$ , which was  $3\frac{1}{4}$  and  $3\frac{1}{2}$  pence Sterling below par, or  $8\frac{2}{100}$  and  $8\frac{2}{100}$  per cent. against us.

On the 3d, 15th and 19th of *May*, the exchange upon *Holland* was at 65 Gros; this was 5 Gros below par, or  $7\frac{1}{2}$  per cent. of loss upon our *Dutch* trade.

On the 25th of *May* the exchange upon *London* was at  $36\frac{1}{2}$  pence Sterling; this was  $2\frac{1}{2}$  pence below par; and  $6\frac{1}{2}$  per cent. to the disadvantage of our trade.

The fourth fall, of the first of *June* raised the par upon *Amsterdam* to  $72\frac{4}{100}$ , and upon *London* to  $40\frac{1}{2}$ . Now on the 22d of *June* the exchange was at  $68\frac{1}{2}$  Gros, that was  $3\frac{1}{2}$  below par, and  $4\frac{8}{100}$  per cent. against us.

In *July* the exchange fluctuated from 69 to  $71\frac{1}{2}$  Gros, this was  $3\frac{1}{2}$  Gros below par, and from  $4\frac{1}{6}$  to  $\frac{2}{3}$  per cent. in our prejudice.

During this month the exchange upon *London* varied from  $39\frac{3}{4}$  to  $41\frac{1}{4}$ , this was  $\frac{7}{8}$  below par, or  $2\frac{1}{2}$  per cent. to our prejudice, and  $\frac{1}{4}$  above par, or  $1\frac{3}{100}$  in our favour.

In *August* the exchange was from  $71\frac{1}{2}$  to  $75\frac{1}{2}$  Gros. This was  $\frac{1}{4}$  below par, and  $3\frac{1}{2}$  Gros above it, or  $\frac{1}{2}$  per cent. to our loss, and  $4\frac{3}{100}$  to our advantage. People began by this time to be accustomed to falling the Coin.

Upon

Upon *London* the exchange was on the 8th of *August* at  $40\frac{1}{2}$ , this was  $\frac{1}{4}$  below par, and about  $\frac{1}{2}$  per cent. to our prejudice.

The fifth fall, which happened the first of *September* raised the par upon *Amsterdam* to  $76\frac{2}{100}$  Gros, and upon *London* to 43 pence sterling.

The exchange upon *Amsterdam* was from 79 to 80 Gros above par from  $2\frac{3}{4}$  to  $3\frac{1}{4}$  Gros, or from  $3\frac{1}{4}$  to  $4\frac{9}{100}$  per cent. to our advantage.

Upon *London* the exchange varied all this month from  $44\frac{1}{2}$  to  $44\frac{3}{4}$  above par from  $1\frac{1}{2}$  to  $1\frac{3}{4}$  pence sterling, which caused an advantage to us from  $3\frac{4}{100}$  to 4 per cent.

In *October* the exchange was from  $78\frac{1}{2}$  to 80 Gros; this was  $2\frac{1}{4}$  and  $3\frac{3}{4}$  Gros above par, or from  $2\frac{2}{100}$  to  $4\frac{9}{100}$  per cent. in our favour. But the fall that followed made an alteration.

The sixth fall, which happened on the 15th of *October*, raised the par upon *Amsterdam* to  $78\frac{2}{100}$  Gros of Bank-Money, and upon *London* to  $44\frac{3}{100}$  pence sterling. Now from the 17th to the end of the month the exchange was at 80 Gros. This was therefore  $1\frac{4}{100}$  above par, and consequently  $1\frac{7}{100}$  per cent. to our advantage.

During the month of *November* the exchange fluctuated from 78 to 79, that is to say, much about par, nearly as far below it as above.

The seventh fall, happened on the first day of *December*: But we have not been able to find the course of exchange for this month, nor that of *January* 1715.

### A N N O 1715.

The eighth fall, which happened the first of *February* 1715, raised the par upon *Holland* to  $83\frac{6}{100}$  Gros, and upon *London* to  $47\frac{2}{100}$  pence sterling. Now during this month the exchange upon *Amsterdam* varied from  $78\frac{1}{2}$  to  $81\frac{1}{2}$ , this was from  $5\frac{1}{100}$  to  $2\frac{1}{100}$  Gros below par, or from  $6\frac{1}{100}$  to  $2\frac{3}{100}$  per cent. to our loss; which  
shews

shews us that we were indebted to *Holland*, which furnished us with more of her own commodities, arts and manufactures, or of others, than she took of ours: Thus the trade which we then carried on with that nation, was burdensome and chargeable to us; or else this tells us that our Species passed into *Holland* in order to avoid the lowerings of the Coin, by which we were nothing the better.

The exchange upon *London* during this month of *February* was at  $43\frac{1}{4}$ , this was  $3\frac{6}{100}$  pence below par, or  $7\frac{7}{100}$  per cent. against us.

On the 12th of *March* the exchange was at  $79\frac{1}{4}$  Gros, this was  $4\frac{4}{100}$  below par, and  $5\frac{2}{100}$  per cent. to our loss.

The same day the exchange upon *London* was at  $43\frac{1}{2}$  pence, this was  $3\frac{5}{100}$  pence below par, and  $7\frac{5}{100}$  per cent. against us.

*The ninth fall* was on the first of *April*. It raised the par of our Crown of exchange to  $86\frac{4}{100}$  Gros upon *Amsterdam*, and to  $48\frac{3}{4}$  pence sterling upon *London*.

The exchange upon *Amsterdam* was at 78 on the 12th of *April*, and at  $81\frac{1}{4}$  on the 22d, this was  $8\frac{4}{100}$  and  $4\frac{2}{100}$  Gros below par, and to our disadvantage  $9\frac{7}{100}$ , and  $4\frac{7}{100}$  per cent.

Upon *London* the exchange on *April* 12 was at  $44\frac{1}{4}$ , and on the 22d at  $45\frac{1}{4}$  pence sterling. This was from  $4\frac{1}{4}$  to  $3\frac{1}{4}$  pence sterling below par, and to the prejudice of our trade from  $9\frac{7}{100}$  to 8 per cent.

On *May* 13, the exchange was at 84 Gros,  $2\frac{4}{100}$  Gros below par, or  $2\frac{4}{100}$  per cent. against us.

The exchange upon *London*, *May* 2, was at  $45\frac{3}{4}$  pence sterling, 3 pence below par, or  $6\frac{5}{100}$  per cent. to our loss.

*The tenth fall*, happening the first of *June*, raised the par upon *Amsterdam* to  $89\frac{4}{100}$ , and upon *London* to  $50\frac{4}{100}$ .

The exchange upon *Amsterdam* on the 8th of *June* was at 84, the 12th at 83, the 17th at  $83\frac{1}{4}$ , and the 29th at  $84\frac{1}{4}$ ; thus we may say that it turned from 83 to

to  $84\frac{1}{2}$ , that is  $6\frac{4}{100}$  and  $4\frac{9}{100}$  below par, and  $7\frac{2}{100}$  and  $5\frac{3}{100}$  per cent. to the disadvantage of our trade.

Upon *London* the exchange, on *June* 8, was at  $46\frac{1}{2}$ , and on the 12th, 17th, and 29th at 47 pence: This was therefore  $3\frac{9}{100}$  and  $3\frac{4}{100}$  pence below par, and from  $7\frac{7}{100}$  to  $6\frac{8}{100}$  per cent. to our disadvantage.

In the months of *July* and *August*, the exchange upon *Amsterdam* was constantly at  $84\frac{1}{2}$ , this was  $4\frac{9}{100}$  Gros below par and  $5\frac{3}{100}$  per cent. against us.

The exchange upon *London* during these two months was from 47 to  $47\frac{1}{2}$ , this was  $3\frac{4}{100}$ , and  $2\frac{9}{100}$  pence below par, and  $6\frac{9}{100}$  and  $5\frac{9}{100}$  per cent. of loss to us. Thus our trade at that time with those two nations was very chargeable to us.

*The eleventh and last fall*, which happened on the first of *September*, raised the par of our Crown of exchange upon *Amsterdam* to  $92\frac{6}{100}$  Gros, still Bank-Money, and upon *London* to  $52\frac{2}{100}$  pence sterling.

The exchange upon *Amsterdam* was on the 2d at  $85\frac{1}{2}$ , the 9th at 87, the 16th and 21st at 90, the 27th at  $91\frac{1}{2}$ , and the 30th at 96. This was therefore from  $7\frac{1}{100}$  to  $1\frac{1}{100}$  Gros below par until the 27th, which caused a loss to us from  $7\frac{6}{100}$  to  $1\frac{2}{100}$  per cent. The King's Death contributed somewhat to this loss, but the exchange on the 30th was  $3\frac{3}{100}$  Gros above par, which made  $3\frac{6}{100}$  per cent. in our favour.

Upon *London* the exchange was on the 2d at 48, the 9th at 49, the 16th, 21st, and 27th at 50, and the 30th at 53 pence sterling. It was therefore below par till the 30th from  $4\frac{3}{100}$  to  $2\frac{3}{100}$ , and consequently against us from  $8\frac{9}{100}$  to  $4\frac{2}{100}$  per cent. But on the 30th it rose above par  $\frac{7}{100}$ , which make an advantage to us of  $1\frac{4}{100}$  per cent.

We shall remark here, that after all these falls, there was reason to hope our Coin would have been fixed. It was this hope that made people regain trust all at once: Accordingly we see here this trust recover vigour, by the gradation of exchanges upon *London* and *Amsterdam*, the Cities in *Europe* with which we carry

carry on most trade. In fact this last fall was no sooner passed, than the exchanges upon both these two Cities came very quickly near to their par; they even rose above it to our advantage in a very few days. Nothing can point out to us more plainly the progress of our trade. It was burdensome and chargeable to us during the whole time that these falls were passing: But no sooner had they taken their course, than our trade regained the superiority over that of those two Nations, notwithstanding the heaviness of our Money, whereof only 28 Livres went to the mark. This advantage must needs gradually advance, if it is not interrupted by some new alteration in our Coins.

To resume what we have said, let us take a near view of our advantages and disadvantages with these two Nations, from the first of *October* 1713, to the end of *December* 1715.\*

This recapitulation shews us clearly the considerable disadvantage we have been under with *Holland* and *England* during the whole time that our Money was a crying down, and even from the beginning of *November* 1713, to *September* 30, 1715; and if we examine it exactly, we shall find that it shews us likewise, 1. That with *Holland* we had advantage during the months of *October* 1713, *August*, *September* and *October* 1714, and at the end of *September* 1715, in six articles contained in this recapitulation, whereof the advantage, at a medium, is represented by  $18\frac{1}{2}\%$ , that is, nearly  $3\frac{1}{2}\%$  per cent. a month.

And that our disadvantage with that State, contained here in seventeen articles, is there represented by  $76\frac{2}{3}\%$ , taking the medium between the highest and the lowest: This is at least  $4\frac{1}{2}\%$  per cent. a month, which we lost upon the trade which we then carried on with that Nation. Now our advantage, at a medium, being represented by  $18\frac{1}{2}\%$  and our disadvantage likewise, at a medium, by  $76\frac{2}{3}\%$ , it follows, that our

\* Here the Table must be inserted fronting page 172.

Falls of the Coin

In *October* 1713 \_\_\_\_\_  
 In *November* \_\_\_\_\_  
 1 1 *December* \_\_\_\_\_  
 In *January* 1714 \_\_\_\_\_  
 2 1 *February* \_\_\_\_\_  
 In *March* \_\_\_\_\_  
 3 1 *April* \_\_\_\_\_  
 In *May* \_\_\_\_\_  
 4 1 *June* \_\_\_\_\_  
 In *July* \_\_\_\_\_  
 In *August* \_\_\_\_\_  
 5 1 *September* \_\_\_\_\_  
*October* 8 and 10 \_\_\_\_\_  
 6 15 *October* to the end \_\_\_\_\_  
 In *November* at Par \_\_\_\_\_  
 7 1 *December*, there was no course of exchange  
 8 1 *February* 1715 \_\_\_\_\_  
 In *March* 1715 \_\_\_\_\_  
 9 1 *April* \_\_\_\_\_  
 In *May* \_\_\_\_\_  
 10 1 *June* \_\_\_\_\_  
 In *July* and *August* \_\_\_\_\_  
 11 1 *September* to the end \_\_\_\_\_  
 30 *September* \_\_\_\_\_

With

Advant

1  $\frac{12}{100}$  to

4  $\frac{84}{100}$  to

3  $\frac{60}{100}$  to

2  $\frac{95}{100}$  to

1  $\frac{79}{100}$  to  
 at P

3  $\frac{64}{100}$  to

17  $\frac{94}{100}$  to

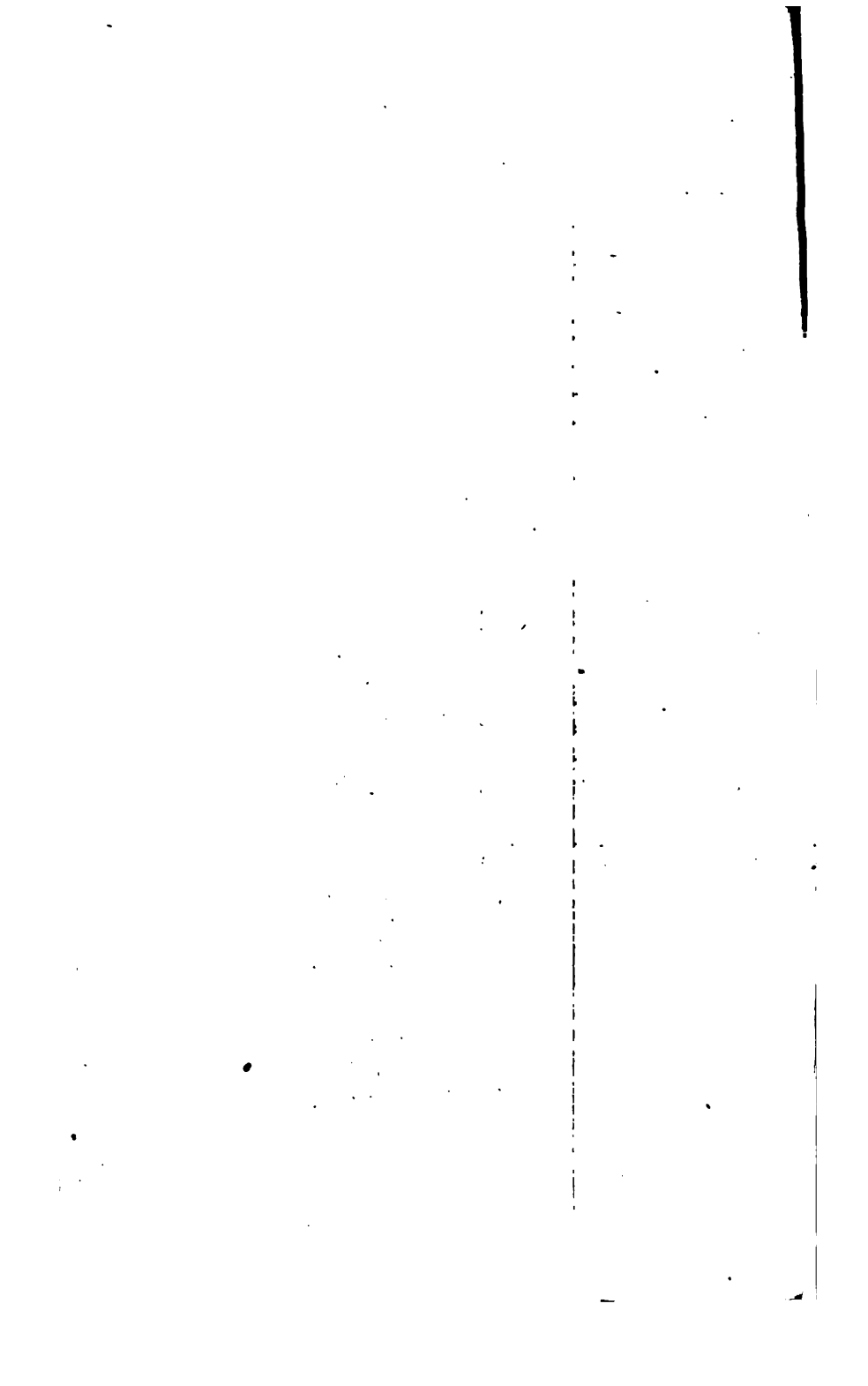
21  $\frac{81}{100}$  to

Totals

39  $\frac{15}{100}$

Mean advantages and disadvantages

18  $\frac{15}{100}$





advantage is to our disadvantage, as 1 is to  $4\frac{1}{2}$ ; thus our disadvantage is  $4\frac{1}{2}$  times higher than our advantage, consequently these falls of the Coin were most unhappy to us.

2. That with *England* our advantage, at a medium, contained in four articles, is here represented by  $7\frac{6}{100}$ , that is,  $1\frac{3}{4}$  per cent. a month.

And that our disadvantage with that State, contain'd in 15 articles, taking likewise the medium, is represented by  $80\frac{39}{100}$ ; that is, about  $5\frac{7}{10}$  per cent. a month that we lost upon the trade which we then carry'd on with that Nation: And our mean advantage being represented by  $7\frac{6}{100}$ , and our mean disadvantage by  $80\frac{39}{100}$ , it follows, that our advantage is to our disadvantage, as  $7\frac{6}{100}$  is to  $80\frac{39}{100}$ , or as 1 is to  $11\frac{2}{3}$ ; therefore our disadvantage is  $11\frac{2}{3}$  times greater than our advantage; consequently these falls are still contrary to our interest.

We also see, by this recapitulation, that the last of the falls was no sooner pass'd, than the exchange became advantageous to us, and consequently the trade which we carried on with those two nations. For, on the 2d of *September* 1715, the day after the last fall, the exchange with *Holland* was  $7\frac{6}{100}$  per cent. in our prejudice; to which the King's death, happening on the first of *September*, had also contributed. But the spirit of the Nation revived, insomuch that on the 30th of the same month the exchange was  $3\frac{6}{100}$  per cent. to our advantage: Here then, in a very few days, is a difference in our favour of  $11\frac{2}{3}$  per cent.

In like manner with *England*, we lost, at the beginning of *September*  $8\frac{2}{100}$  per cent. and at the end we gain'd  $1\frac{7}{100}$  per cent. this again makes a difference in our favour of  $9\frac{9}{100}$  per cent. Which proves to us invincibly, that the expectation people had that after so many falls, and so long disorder in our Coin, it was to be left fixed and settled for the future; this expectation, I say, restored confidence to their minds. Whence it follows,

That

*That so soon as our Monies becomes fixed and steady in their numerical value, our trade will gain the ascendant over that of our neighbours, because there is none of them but takes much more from us than we take from them.*

The passing of these falls lasted above two years, during which time our loss with *Holland* is  $4\frac{1}{2}$  per cent. and likewise with *England*  $5\frac{1}{4}$  per cent. The mean loss between them two is  $4\frac{1}{4}$  per cent. Now at this rate only, we lose 4,425,000 Livres upon a foreign trade of 100 Millions: Whence it follows, that the longer those falls are in passing, so much the more will we lose. Had those eleven falls been made all at once, the publick would certainly have lost less thereby, and foreigners gained less, because they would have had fewer means of taking advantage of them. It is true, one fall, which would have reduced all at once the mark of Silver from 40 to 28 Livres, as was done here by those eleven falls, would appear very grievous to particular persons: However, they would lose no more by having it done all at once, than by its being done at different times.

#### ARTICLE IV.

*Where the same examination is continued as in the preceding article, and that from the beginning of October 1715, to the end of April 1717.*

**D**URING the month of *October* 1715, the exchange upon *Amsterdam* was at 100, 101, and 102 Gros, and the par at  $92\frac{2}{100}$  of Bank-Money; thus the exchange was above par from  $7\frac{3}{100}$  to  $9\frac{3}{100}$  Gros, which make  $7\frac{3}{100}$  and  $10\frac{1}{100}$  per cent. to our advantage, whereof the medium is 9 per cent.

In the course of this same month the exchange upon *London* was at 56 and  $57\frac{1}{2}$  pence Sterling, and the par  $52\frac{3}{100}$ . This was consequently  $3\frac{7}{100}$  and  $5\frac{2}{100}$  pence above par, or  $7\frac{2}{100}$  and  $10\frac{2}{100}$  per cent. in  
our

our favour; the advantage, at a medium, was  $8\frac{6}{100}$  per cent. This large advantage upon *Holland* and *London* proves also, to a demonstration, that as soon as the falls of the Coin has taken effect, and some probability that our Money is settled, our trade immediately regains the superiority over that of our neighbours; and that notwithstanding our Coin be very heavy, that is, though its numerical value be lower'd  $\frac{3}{10}$  of its first value, since the Lewidor of 30 to the mark, which passed for 20 Livres, now passes only for 14, and the Crown of 8 to the Mark, which was current for 5 Livres, now passes for no more than 3 Livres 10 Sols; that is to say, the mark of coined Gold, which was worth 600 Livres, is now worth only 420: And also the mark of coined Silver, which was worth 40 Livres, is now worth no more than 28. This is the same thing as if our present Lewidors were reduced from 24 to 14 Livres, and our Crowns from 6 to 3 Livres 10 Sols. Hence does it not evidently follow, that the Species lower'd, or brought to standard weight, is not a clog to our trade? We may at least say this, that the falls of the Coin are no longer prejudicial to trade than they are passing; and *that there is no more reason for favouring the Debtor, by raising the numerical value of our Money, than there is for favouring the Creditor by lowering it.* This fact is diametrically opposite to the maxims laid down by the Author in the 174th, 198th, 237th pages, No. 2, 3, and 4. and p. 270 of his Book, which we remark upon.

On the 16th of November 1715 the exchange upon *Holland* was still at 100 Gros,  $7\frac{3}{100}$  Gros above par, and consequently to our advantage  $7\frac{3}{100}$  per cent. On the 18th and 22d it was at 96: This was still  $3\frac{3}{100}$  Gros above par, and  $3\frac{6}{100}$  per cent. in our favour.

The same 16th of November the exchange upon *London* was at 54 and  $55\frac{1}{2}$ , *this was still from*  $1\frac{1}{100}$  to  $3\frac{1}{100}$  pence above par, and *from*  $3\frac{1}{100}$  to  $6\frac{1}{100}$  per cent. to our profit.

Thro

Through the whole month of *December* the exchange upon *Holland* was in a rotation from 98 to 100 Gros, on the 5th and 12th it was at 98; on the 18th at 99, and on the 23d at 100. This was above par from  $5\frac{1}{100}$ ,  $6\frac{1}{100}$ , to  $7\frac{1}{100}$ , and consequently to our advantage  $5\frac{1}{100}$ ,  $6\frac{1}{100}$  and  $7\frac{1}{100}$  per cent.

Upon *London* the exchange on the 14th and 23d of *December* was at  $54\frac{1}{2}$ , this was  $2\frac{1}{100}$  pence above par, and  $4\frac{1}{100}$  per cent. in our favour.

The continuation of these advantages upon both Nations, is another strong proof of what we have now been saying, when, upon the end of the preceding month of *October*, this advantage would still have been more considerable, if the *Visa* of the King's effects, appointed by arret of the 28th of *September* last, and by the King's declaration, dated the 7th of the current month of *December*, had not kept up distrust and a want of credit, which are great impediments to circulation, and consequently to exchange and commerce. But this advantage was not long enjoyed, the edict of the current month of *December* 1715, register'd the 23d, and publish'd at the beginning of the year 1716, not only made us lose it, but also fall into disadvantage, by raising the numerical value of our Money. An effect very opposite to what the Author of the *Political Essay* ascribes to it, p. 205, where he says, *that this rise of the Coin supported the Finances in 1716 and 1717, notwithstanding the decay of credit, which was continued by the Chamber of Justice.* The course of exchange will shew us whether that Author is in the right or not.

### A N N O 1716.

It is enacted by this edict, publish'd about the first of *January* 1716, that there shall be coin'd new *Leuillons* of 30 to the mark, which shall pass for 20 *Livres*, and Crowns of 8 to the mark, which shall pass for 5 *Livres*; that is to say, this edict raises our Coin at once

Once  $\frac{1}{2}$ , by putting them back to the same state they were in before the eleven falls, which we have spoke of in the preceding articles.

The pieces that had been coined in 1709, which now became the old Specie, were of the same weight and standard with those order'd to be coined by this edict. Here already is a capital error in the affair of Money, to make new Coin of the same standard and weight, and yet of a higher numerical value than the old; for this is to put it in the power of our foreign neighbours to appropriate to themselves the benefit which the King intends to make by it; because, as has been already said above \*, they never fail to recoin the old Species into new ones, and thereby his Majesty is baulk'd of the supplies he depended upon from this expedient.

*The Rise, Reformation, and Recoinage.*

The 6th, 8th and 10th articles of this edict, order the Lewidors of 1709 to be taken at the Mint, and in commerce for 16 Livres instead of 14, and the Crowns for 4 Livres, instead of 3 Livres 10 Sols, to commence from the day of the publication of this edict, to the last day of *January 1716*; and by the same edict they are to be reform'd and converted into new Specie, without being melted down again, and to be publickly current on the same foot with the new ones; that is to say, the reformed Lewis shall pass for 20 Livres, and the reformed Crown for 5 Livres. This reformation is another gross error against our own interest.

Here then is a rise of the numerical value of the old Species, notwithstanding repeated assurances had been given, that there was to be no such thing, both by the arret of Council *July 27, 1715*, and by the

\* See what is said upon this *Full Dict. chap. i. art. 6. p. 48.*  
& sequ.

King's declaration of *August* 13, register'd the 19th; and again by the arret of *October* 12: For the purport of those arrets, and of that declaration, was, that after the last falling the Coin in *September* 1, the rate of the Specie should remain fixed for ever, at 14 Livres the Lewidor, and 3 Livres 10 Sols the Crown.

However, by this edict, the Lewidor is stated at 16 Livres, and the Crown at 4 Livres. This is to raise the numerical value of those old pieces a seventh part. Those same pieces, being reformed, passed for 20 Livres the Lewidor, and 5 Livres the Crown; and new ones were coined of the same standard and weight, which were also made to pass for 20 Livres the Lewis, and 5 Livres the Crown. Those old and new Species were exactly the same in their intrinsic value, and yet there were two nominal values assign'd to them, which values differed from one another, as 4 from 5; which brought us into the same disorder we were in under *Philip le Bel*: This disorder besides was accompanied with a reformation, which is another operation likewise very hurtful to our trade.

We have seen before, from 1709 to 1713, all the bad effects which our trade sustain'd from a smaller disorder than this. Two nominal values so disproportion'd, assign'd to two Species exactly equal in weight and standard, and even to the same Specie, could not possibly produce a good effect: Accordingly the exchange was found to fall considerably upon publishing this edict. Upon *Amsterdam*, *January* 2. 1716, it was at 90 Gros; and on the 4th and 6th at 82. This edict therefore made it fall 8 Gros, or  $9\frac{8}{100}$  per cent. to our prejudice.

Upon *London* the exchange, at the end of *December*, and at the beginning of *January* 1716, was at  $54\frac{1}{2}$  pence Sterling; and on the 6th of *January* it was at 50 pence: Consequently this edict made it fall  $4\frac{1}{2}$  pence, which made  $9\frac{8}{100}$  per cent. in our prejudice.

This



*July* 13, and *September* 18 of the same year, prolonged their currency to the said first day of *December*, at which day according to the last of those arrets the Lewis were no longer to be taken but for 15 Livres 15 Sols, and the Crowns for 3 Livres 18 Sols 9 Deniers; and at the first of *February* 1717, this Lewis was again to be reduced to 14 Livres, and the Crown to 3 Livres 10 Sols, as they both were after the fall of the first of *September* 1715.

During the whole month of *February* 1716, the exchange upon *Amsterdam* varied between 77 and 81 Gros; the one was 4 Gros below the par 81, or  $4\frac{9}{100}$  per cent. to the disadvantage of our trade, and the other, viz. 81, was at par.

Upon *London*, during the same month, the exchange turned from 42 to 46 pence sterling, the one was  $3\frac{7}{100}$  pence below the par  $45\frac{7}{100}$ , or  $8\frac{7}{100}$  per cent. to our loss, and the other  $\frac{3}{100}$  pence above it, or  $\frac{6}{100}$  per cent. in our favour.

In *March* the exchange between *Paris* and *Amsterdam* was from 81 to  $81\frac{1}{2}$ , this was at par, and above par  $\frac{1}{2}$  Gros, or  $1\frac{9}{100}$  per cent. to our advantage.

Upon *London* during the same month, it was  $45\frac{3}{4}$  pence sterling, this was  $\frac{3}{100}$  d. below par, or  $\frac{6}{100}$  per cent. in our prejudice.

In *April* it was from  $81\frac{1}{2}$  to 84 Gros, this was  $\frac{1}{2}$  and 3 gros above par, or from  $1\frac{9}{100}$  to  $3\frac{7}{100}$  per cent. in our favour.

Upon *London*, during this month, the exchange was in rotation from 46 to  $47\frac{1}{2}$  pence Sterling, this was from  $\frac{3}{100}$  to  $1\frac{5}{100}$  pence above par, and to our profit from  $\frac{6}{100}$  to  $3\frac{9}{100}$  per cent.

By letters patent of the 2d and 20th of *May*, M. *Lou* had permission to erect a *General Bank*.

During the whole course of this month, the exchange upon *Amsterdam* was between 85 and  $84\frac{1}{2}$ , this was 4 and  $3\frac{1}{2}$  Gros above par, and between  $4\frac{9}{100}$  and 4 per cent. to our advantage.

That



That upon *London* was between 48 and  $47\frac{3}{4}$ ; this was between  $2\frac{3}{1000}$  and  $2\frac{5}{1000}$  pence Sterling above par, and to our advantage between  $5\frac{3}{1000}$  per cent. and  $4\frac{4}{1000}$ .

In *June* 1716, the exchange upon *Amsterdam* varied between  $83\frac{1}{2}$  and 84 Gros: This was between  $2\frac{1}{2}$  and 3 Gros above par, and consequently between  $3\frac{8}{1000}$  and  $3\frac{7}{1000}$  per cent. in our favour.

Upon *London*, that same month, it rose from  $47\frac{1}{4}$  to 48, that is, from  $1\frac{5}{1000}$  to  $2\frac{3}{1000}$  above par, and consequently from  $3\frac{3}{1000}$  to  $5\frac{3}{1000}$  per cent. in our favour.

In *July* the exchange upon *Amsterdam* was from 84 to  $81\frac{1}{2}$ , without letters: This was still 3 and  $\frac{1}{2}$  Gros above par, and from  $3\frac{7}{1000}$  to  $\frac{6}{1000}$  per cent. to our advantage.

Upon *London*, in the same month, it was from  $47\frac{3}{4}$  to  $46\frac{1}{2}$ , without letters; this was from  $2\frac{5}{1000}$  to  $\frac{8}{1000}$  pence Sterling above par, and from  $4\frac{8}{1000}$  to  $1\frac{7}{1000}$  per cent. in our favour. The general Bank kept up the exchange. The old Species were bought at a higher rate than was given for them in the Mints: This could be with no other intention but to reform them by fraud, or to transport them out of the Kingdom. The arret of Council of *August* 1. 1716, order'd the Officers of the Mints of *Paris* to go into the Provinces of their jurisdiction, to take information of those who dealt in counterfeiting the Coin and reformation of the Species, or who were guilty of billonage, that is, melting down the Coin, and then exporting it, or such like illicit trading in Money in the said Provinces.

In *August* the exchange upon *Amsterdam* was from  $81\frac{3}{4}$  to 83; this was  $\frac{3}{4}$  and 2 Gros above par, and from  $\frac{2}{1000}$  to  $2\frac{4}{1000}$  per cent. to our profit.

Upon *London* it was from  $47\frac{1}{4}$  to  $46\frac{3}{4}$  without letters, to or from  $2\frac{2}{1000}$  to  $3\frac{2}{1000}$  per cent. pence Sterling above par, to our advantage.

The

The general Bank kept up this advantage, by hindering the export of our old Specie; but the edict of December 1715 had caused so much of it to be exported, that by the royal declaration, dated the 29th of the current month of August 1716, Specie newly reformed was prohibited to be enter'd into the Kingdom, in order to prevent the counterfeit reformation which was carried on in foreign countries, and to put an end to that considerable damage which our State thereby sustain'd. To this purpose his Majesty speaks in that declaration. His Words shew us very plainly, that they had come to discover the error and bad effects of reforming the Coins: The consequence thereof was, and ever will be, to make our old Species be transported into foreign countries, where they are bought at a higher rate than they give at the Mints, and where they are recoined into new ones\*, which does us manifest prejudice.

In the months of September, October and November, the exchange upon Amsterdam turn'd from  $82 \frac{1}{2}$  to  $83 \frac{1}{2}$ . This was  $1 \frac{1}{2}$  and  $2 \frac{1}{2}$  Gros above the par 81 of Bank-Money, and in our favour from  $1 \frac{5}{100}$  to  $3 \frac{5}{100}$  per cent.

In the course of the same months, it was upon London from  $47 \frac{1}{2}$  to  $47 \frac{3}{4}$ , this was between  $1 \frac{5}{100}$  and  $2 \frac{5}{100}$  pence Sterling above the par, and from  $3 \frac{3}{100}$  to  $4 \frac{5}{100}$  per cent. to our advantage.

The deficiency in weight and standard of a great deal of the falsely reformed gold Specie, that have been introduced into our Kingdom, causing a disorder, the remedying whereof is a matter of importance, we have resolved to order a recoinage of all the Lewis new struck or reformed in our Mints of the same standard, but of a different weight†. These are the terms of the edict of November 1716, register'd the 18th, whereby is enacted, that there shall be coined only in the Mint of Paris new Lewidors, at

\* See what has been said upon this subject before, chap. 1. art. 6. p. 46. & sequ.

† Edict of November 1716, p. 4.

the rate of 20 to the Mark, which shall pass for 30 Livres each. They were called *Noailles*, because the Duke *de Noailles* was then at the head of the treasury.

By the fourth article of this edict, the Lewis coined or reformed by virtue of the edict of *December 1715*, are order'd to be taken in the Mints and in commerce upon the foot of 20 Livres a-piece. The 6th article bears, that the Lewis of 1709 be received in the Mints, Offices and Receipts of the King's Money, and by the Bankers in the Provinces, at the rate of 16 Livres each, through the rest of the current month, and that of *December* next. The difference between the old and the new Specie is therefore still 25 *per cent*. This edict therefore by consequence does not remedy the evil; it leaves us in the disorder to which we had been reduced by that of *December 1715*; since the unreformed Lewidor of 1709 is there fixed at 16 Livres, and the Crown of 8 to the Mark at 4 Livres, and the same Lewis reform'd is rated at 20 Livres, and the Crowns at 5 Livres: Thus there were still 4 Livres lost upon each Lewis by carrying them to the Mints. This disproportion, in the numerical value of two Species, which are exactly the same, leaves us still in the disorder of a light and a heavy Money, as we were under *Philip le Bel*, when the disproportion was still greater.

According to the 7th article of this edict, those Lewis of 1709 are only to be received by the Mark, against the first of *January 1717*.

By the 8th article, the Crowns of 1709, to be reformed, continue to be received during the rest of *November*, and *December* next, in the Mints, Banks, and Royal Offices, at 4 Livres a-piece; and on the first of *January 1717*, at 3 Livres 18 Sols 9 Deniers, and against the first of *February* at 3 Livres 15 Sols each, according to the 9th article of the same edict.

Nothing is plainer, than that those falls of the Coin were intimated only with a view to bring out those old Species.

Species; it was hoped that the fear of losing, would oblige persons who had them to carry them to the Mints, where they were expected: But that apprehension did not produce the intended effect, by reason that the Publick are now better appriz'd than ever they were; they can calculate and weigh their profit and loss, and it is not to be expected, that they will give 20 Livres to have only 16 in return. To conclude, those falls were prorogued to the first of *January* 1718. by the arrets of Council of *January* 30, 1717, of *April* 5 and 24, *June* 19, *August* 31, *November* 27, and *January* 22, 1718: Thus those Crowns always went for 4 Livres.

Abstracting from the evil which this difference or disproportion does, all those arrets of prorogation of a term fixed by preceding ones, as well as those which give notice of falls or rises of the Coin before-hand, dishearten every body, and extremely cramp trade. This we have already noticed above\*; but things of this nature cannot be too often inculcated.

• During the whole course of *December* 1716, the exchange upon *Amsterdam* was from  $83\frac{1}{2}$  to  $83\frac{1}{4}$ ; this was  $2\frac{1}{2}$  and  $2\frac{1}{4}$  Gros above the par 81; and consequently to our advantage from  $3\frac{8}{100}$  and  $2\frac{7}{100}$  per cent.

Upon *London* it was from  $47\frac{1}{2}$  to  $47\frac{3}{4}$ , above par from  $1\frac{9}{100}$  to  $1\frac{68}{100}$  pence Sterling, or  $3\frac{93}{100}$  and  $3\frac{67}{100}$  per cent. in our favour.

*The four first Months, Anno 1717.*

In *January* 1717, the exchange upon *Amsterdam* was from  $83\frac{1}{2}$  to  $83\frac{3}{4}$ ; this was  $2\frac{1}{2}$  and  $2\frac{3}{4}$  Gros above the par 81, and consequently to our advantage from  $3\frac{8}{100}$  to  $3\frac{39}{100}$  per cent.

Upon *London* it was constantly at  $47\frac{3}{4}$ ; this was  $2\frac{1}{100}$  pence Sterling above the par  $45\frac{7}{100}$ , and to our profit  $4\frac{8}{100}$  per cent.

\* Chap. 3. article 3.

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ges and disadvantages of our trade, from the beginning of October 1715 to the end of April 1717, viz.

With HOLLAND.		With ENGLAND.	
Advantages	Disadvantages.	Advantages.	Disadvantages.
7 $\frac{96}{1000}$ to 10 $\frac{11}{1000}$ 3 $\frac{64}{1000}$ to 3 $\frac{64}{1000}$ 5 $\frac{86}{1000}$ to 7 $\frac{96}{1000}$		7 $\frac{41}{1000}$ to 10 $\frac{9}{1000}$ 3 $\frac{78}{1000}$ to 6 $\frac{26}{1000}$ 4 $\frac{34}{1000}$ to 4 $\frac{34}{1000}$	
17 $\frac{40}{1000}$ to 21 $\frac{71}{1000}$		15 $\frac{33}{1000}$ to 20 $\frac{69}{1000}$	

ntb: The same reformed pafs for  $\frac{1}{4}$  more, as well as thofe new coined by virtue of December 1715 of the fame standard and weight.

1 $\frac{9}{1000}$ to 1 $\frac{9}{1000}$ 1 $\frac{9}{1000}$ to 3 $\frac{70}{1000}$ 4 $\frac{93}{1000}$ to 4 3 $\frac{8}{1000}$ to 3 $\frac{70}{1000}$ 3 $\frac{70}{1000}$ to 0 $\frac{61}{1000}$ 0 $\frac{92}{1000}$ to 2 $\frac{47}{1000}$ 1 $\frac{85}{1000}$ to 3 $\frac{8}{1000}$ 3 $\frac{8}{1000}$ to 2 $\frac{71}{1000}$ 3 $\frac{8}{1000}$ to 3 $\frac{39}{1000}$ 3 $\frac{8}{1000}$ to 3 $\frac{70}{1000}$ 4 $\frac{93}{1000}$ to 1 $\frac{85}{1000}$ 2 $\frac{47}{1000}$ to 2 $\frac{64}{1000}$	1 $\frac{23}{1000}$ to 4 $\frac{93}{1000}$ 4 $\frac{93}{1000}$ to 4 $\frac{93}{1000}$	0 $\frac{65}{1000}$ to 0 $\frac{65}{1000}$ 0 $\frac{65}{1000}$ to 3 $\frac{93}{1000}$ 5 $\frac{3}{1000}$ to 4 $\frac{48}{1000}$ 3 $\frac{39}{1000}$ to 5 $\frac{3}{1000}$ 4 $\frac{48}{1000}$ to 1 $\frac{73}{1000}$ 2 $\frac{29}{1000}$ to 3 $\frac{93}{1000}$ 3 $\frac{93}{1000}$ to 4 $\frac{46}{1000}$ 3 $\frac{93}{1000}$ to 3 $\frac{67}{1000}$ 4 $\frac{48}{1000}$ to 4 $\frac{48}{1000}$ 4 $\frac{48}{1000}$ to 6 $\frac{12}{1000}$ 6 $\frac{67}{1000}$ to 3 $\frac{93}{1000}$ 3 $\frac{93}{1000}$ to 2 $\frac{84}{1000}$	1 $\frac{53}{1000}$ to 8 $\frac{9}{1000}$ 8 $\frac{9}{1000}$ to 8 $\frac{9}{1000}$ 0 $\frac{43}{1000}$ to 0 $\frac{41}{1000}$
50 $\frac{90}{1000}$ to 54 $\frac{91}{1000}$ 54 $\frac{91}{1000}$	6 $\frac{20}{1000}$ to 9 $\frac{86}{1000}$ 9 $\frac{86}{1000}$	59 $\frac{24}{1000}$ to 65 $\frac{98}{1000}$ 65 $\frac{98}{1000}$	10 $\frac{5}{1000}$ to 16 $\frac{61}{1000}$ 16 $\frac{61}{1000}$
105 $\frac{81}{1000}$ 52 $\frac{182}{1000}$ 3 $\frac{52}{1000}$	16 $\frac{6}{1000}$ 8 $\frac{6}{1000}$ 4 $\frac{3}{1000}$	125 $\frac{22}{1000}$ 62 $\frac{122}{1000}$ 4 $\frac{17}{1000}$	26 $\frac{66}{1000}$ 13 $\frac{66}{1000}$ 4 $\frac{44}{1000}$

The arret of Council dated *January* 3. and publish'd *February* 3. informs us, that the counterfeit reformation of the Specie continued more and more in foreign countries.

In *February* the exchange was from  $83\frac{1}{2}$  to  $84$ ; this was above par from  $2\frac{1}{2}$  to 3 Gros, or from  $3\frac{8}{100}$  to  $3\frac{7}{100}$  per cent. in our favour.

Upon *London* it was  $47\frac{3}{4}$  and  $48\frac{1}{2}$ , above the par from  $2\frac{5}{100}$  to  $2\frac{8}{100}$  pence Sterling; making between  $4\frac{8}{100}$  and  $6\frac{1}{100}$  per cent. of profit to us.

In *March*, by the arret of the 5th, the *Lewidors*, which are order'd to be recoin'd, are to be received in the Mint of *Paris* at 20 Livres until the first of *April*, against which day they are only to be received by the Mark.

During this month of *March* the exchange upon *Amsterdam* was from 85 to  $82\frac{1}{2}$ ; this was above the par 81, from 4 to  $1\frac{1}{2}$  Gros, and to our advantage from  $4\frac{9}{100}$  to  $1\frac{5}{100}$  per cent.

Upon *London* it was from  $48\frac{3}{4}$  to  $47\frac{1}{2}$ , above the par  $45\frac{7}{100}$  from  $6\frac{6}{100}$  to  $3\frac{9}{100}$  per cent. in our favour, or from  $3\frac{5}{100}$  to  $1\frac{8}{100}$  pence Sterling.

In *April* it varied from 83 to 82; this was 2 and 1 Gros above the par, and from  $2\frac{4}{100}$  to  $1\frac{2}{100}$  per cent. to our profit.

Upon *London* it was between  $47\frac{1}{2}$  and 47, from  $1\frac{9}{100}$  to  $1\frac{3}{100}$  pence Sterling above par, making  $3\frac{9}{100}$  and  $2\frac{2}{100}$  per cent. profit to us.

In *May* the exchange upon *Amsterdam* was from 82 to 83; that is to say, 1 and 2 Gros above par, and to our advantage from  $1\frac{2}{100}$  to  $2\frac{4}{100}$  per cent.

Upon *London* it was, from  $47\frac{1}{2}$  to  $48\frac{1}{4}$ ; this was above par from  $1\frac{8}{100}$  to  $2\frac{5}{100}$  pence Sterling, making  $3\frac{9}{100}$  and  $5\frac{5}{100}$  per cent. in our favour.

On *June* 2. the exchange upon *Amsterdam* was at  $83\frac{1}{4}$ , and upon *London* at  $48\frac{1}{4}$ , as above\*.

\* Here the Table is to be inserted which is quoted, p. 185.

At the first glance of the eye, we see by this recapitulation that the falls of the Coin, which we have considered in the preceding article, were no sooner over, than the exchange, and consequently trade, recovered the advantage both with *England* and *Holland*, notwithstanding the heaviness of our Money, the Mark whereof amounted only to 28 Livres; and likewise notwithstanding the *Visa*, or the examination into the state of the royal effects, which was appointed by arret of Council *September* 28, and by the King's declaration, dated *December* 7. 1715. which *Visa* still heighten'd distrust and want of credit. This advantage would have continued notwithstanding the *Visa*, had it not been that the edict of *December* 1715, register'd the 23d, and publish'd at the beginning of *January* 1716, contrary to all expectation, and the assurances given that there was to be no change in the Coin, disturbed and interrupted our trade, and at once converted this advantage into a real disadvantage, by apprizing us of a design to raise and reform the old, and at the same time to coin new Specie.

Accordingly this Table shews us, that at the end of *December* 1715, we had an advantage upon *Holland* from  $5\frac{1}{100}$  to  $7\frac{9}{100}$  per cent. also upon *England*  $4\frac{1}{100}$  per cent. and that at the beginning of *January* 1716, the publishing this edict of *December* made us lose at once not only that advantage, but likewise made us fall under a real disadvantage from  $1\frac{2}{100}$  to  $4\frac{9}{100}$  per cent. with *Holland*, and from  $1\frac{3}{100}$  to  $8\frac{9}{100}$  per cent. with *England*; which made a difference in our prejudice with *Holland* from  $7\frac{3}{100}$  to  $12\frac{8}{100}$ , whose difference, at a medium, between the highest and the lowest, is  $9\frac{9}{100}$  per cent. and with *England* from  $5\frac{9}{100}$  to  $12\frac{4}{100}$ , whose mean difference, taken likewise between the highest and the lowest, is  $9\frac{2}{100}$  per cent. to our loss; which agrees well enough with another calculation made above in p. 178; but let us attempt a general proof of this fact by another way.

We



We see by this recapitulation, that the advantage we had with Holland for the 3 last months of 1715, is from  $17 \frac{4}{100}$  to  $21 \frac{7}{100}$ , whose medium is  $18 \frac{5}{100}$ , whereof the third is  $6 \frac{1}{100}$  per cent. to our advantage,

The publication of the edict in December 1715, made us lose not only this considerable advantage; but it also made us fall into a real loss from  $6 \frac{2}{100}$  to  $9 \frac{3}{100}$  during the two months of January and February 1716, whereof the loss, at a medium, is  $8 \frac{6}{100}$ , whereof the half is for each month,

Thus the gain and the loss, when both put together, make to our prejudice a difference, at a medium, with Holland, of  $10 \frac{2}{100}$  per cent.

As for England, we see likewise that throughout the same three months in 1715, our advantage was between  $15 \frac{3}{100}$  and  $20 \frac{6}{100}$ , whereof the medium is 18, and the third is for each month 6 per cent.

The publication of the same edict made us lose this advantage, and fall into a loss of between  $10 \frac{3}{100}$  and  $16 \frac{6}{100}$  during the three first months of 1716, whereof the mean loss is  $13 \frac{6}{100}$ ; that is, for each of those months  $4 \frac{4}{100}$  per cent. to our loss,

Thus to gain 6 per cent. and then to lose  $10 \frac{4}{100}$   $4 \frac{4}{100}$ , makes a difference in our prejudice of  $10 \frac{4}{100}$  per cent.

After facts so demonstrative as these, may it not be said, with reason, that the rise, the recoinage, and the reformation, in consequence of the edict of December 1715, were prejudicial to us more than 10 per cent. upon all the foreign trade which we carried on at that time? Thus if that trade amounted to 10 Millions per month, it is plain, that France lost more than one Million.

The Abbé of St. Peter, that great citizen, so distinguish'd in the learned world by the several works which he has composed for the benefit and good of his country, says, upon the eleven<sup>th</sup> advantage of the third discourse of his scheme for a perpetual peace, vol. 1. p. 239.

p. 239, that the foreign trade of *France* alone amounts at least to 150 Millions of Livres *per annum*. Upon that foot, the amount of one month would be 12 Millions 500 thousand Livres, and our loss upwards of 1,250,000 Livres likewise *per month*. We shall see, at the end of this article, what the raising of the Money, the recoinage and reformation, by the edict of *December 1715*, and by that of *November 1716*, produced to the King. The recoinage in 1709, which passes for the highest that was made, produced to his Majesty only 11,370,773 Livres in Specie, and 43 Millions of Mint-bills, which were taken up from the Publick, according to the *Memoirs* of the late M. *Desmarets*, p. 15, 18 and 19. Supposing now that those operations produced a like sum of 1250 thousand Livres *per month*, or more, if you will, was therefore the procuring to the King 8 or 9 Millions of Money, or even a greater sum, a good reason for sinking the whole trade of the Kingdom, and making the Nation lose twice or three times as much, and perhaps more? It is therefore evidently better for the people, and for the King himself, to seek that supply from any other means, than from an alteration of the Coin, which will always be most burdensome to the Nation. This expedient ought never to be tried till all other means have failed.

The damage which the State sustained by that edict of *December 1715*, would have been yet more considerable, and of longer duration, had not the King, by his letters patent of *May 2d and 20th, 1716*, granted a permission for the erecting of a general Bank, which kept up the exchange still to our advantage to the end of *April, 1717*, as we see by this table. Farther, as there are none of our neighbours, but take a great deal more of our commodities, arts and manufactures, than we take from them, our trade will still have the advantage over theirs, if we preserve inviolably the fixedness and stability of our Money: It is the necessary instrument of our reciprocal exchanges, and the measure which  
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regulates the value of exchanged goods. It cannot therefore be touched, without hurting the exchange of those goods; consequently, the advantage of our trade is in our own hands; it depends upon ourselves to make it perpetual. The fruitfulness of our Provinces, the commodious situation of our sea-ports, and the activity of our people, give us the offer and assurance of a superiority in trade.

After what we have now seen, we have no small reason to be surprized that there should have been so frequent variations of our Money, contrary to our own true interest. But if reflection on the past, gives us ground for this surprize, our present happy situation should excite our eternal gratitude to the present Ministry. It is the first that has been sensible of the important necessity of not touching the Coin; it is more than fifty years since it was so long settled in *France* as it has been for these ten years past. We have seen what considerable detriment the Ministry would have done to the Nation, had they, like others, changed this measure; and we shall see afterwards, in its own place, the advantages which accrue to us from the stability they have so wisely preserved in the value of our Money. Which should induce the people to bless this Ministry, and to pray for its long continuance. Heaven grant we may remain ever sensible, that as often as a considerable difference is allowed to take effect between the old Specie and the new, that which is the lowest valued will be carried away by our foreign neighbours, who will recoin it into new Specie, to their own profit, and the profit of the exporter. In that case, the benefit which the King proposes to make by such operations, is divided among the foreigner who recoins this Specie, and him who sends it over to him; and by this means his Majesty is disappointed of the supplies which he proposed to find from those expedients.

Besides the evidence of this argument, the King's declaration of *August 29,* and his edict of *November* following, the terms of which we have seen in this

this article, each in its own month, p. 182, are still another unanswerable proof of it, as well as the arrest of *January* 3. p. 185 of this article.

After these facts, supported by their proofs, we leave the reader to judge, whether this rise of the Money could supply the Finances in 1716 and 1717, as our Author alledges in the 205th page of his book.

There is no expedient with respect to Money, whether raising or lowering its value, recoinning or reforming it, but impedes the circulation of the Specie, either by causing it to be hoarded up, or else transported into foreign countries. Now let us suppose the part hoarded up and transported to be to the part that remains and circulates in the Kingdom as 1 is to 3. Before the operation 4, according to the supposition, represented the whole mass of Money that was in *France*: After the operation 3 has as much value as 4 had, in regard that it acquires  $\frac{1}{4}$  of its first value at the expence of the estates, arts and manufactures of the Kingdom, which lose all that value which Money gains. Thus what cost  $1\frac{1}{4}$  before the operation, cost only 1 after it: Money therefore gains  $\frac{1}{4}$ , and all effects set to sale lose as much. But as there are 100 times more effects in the Kingdom than Money \*, therefore estates, arts and manufactures set to sale lose 100 while Money gains 1; consequently, what immense damage do we bring upon the State, by our frequent variations of Money? The 353 Millions 532 thousand Livres, levied upon the people for the profit of the King, by the different operations practised upon our Money from the year 1716 to the end of *August* 1723 †, are not comparable to the losses which they have caused to the State, not only for the above-mention'd reasons, but also upon account of counterfeiting the new Coin in foreign countries.

\* See before, chap. 1. art. 6. p. 51. & sequ.

† The King's declaration for levying the 50 d. dated *June* 5. 1725. p. 2 and 3.

But all the effects and property in the Kingdom are not to be sold at once, as we have supposed in examining this proportion of 1 to 100: The loss of the State only falls upon those that are set to sale, and upon our commodities, arts and manufactures, that are daily in the market, which changes this proportion. Thus when Money gains 1 in value, the publick may lose 30 or 40\*. This loss is still prodigiously great; it infinitely surpasses all the advantages which the King can ever reap from such ruinous operations.

In order to shew, in a manner somewhat satisfactory to the reader, how burdensom those operations are to the Nation, and to the King himself, notwithstanding the considerable profits which his Majesty gains, or the supplies which he gets from them, let us reflect on what has happen'd to the Coins in *France*, from the edict of *December 1715*, to the last of *July 1717*.

We have seen above, that by the edict of *December 1715*, publish'd the 27, new Lewidors are order'd to be coined of 30 to the Mark, fixed at 20 Livres, and Crowns of 8 to the Mark, fixed at 5 Livres.

The pieces coined in 1709, which now became the old Specie, were exactly of the same weight and standard with those coined by virtue of the edict of *December 1715*. Before its publication, the Lewidor went for 14 Livres, and the Crown for 3 Livres 10 Sols: The new ones therefore passed for  $\frac{3}{7}$  more; consequently, this was to raise them  $\frac{3}{7}$ , and to set them back to the same foot as they were before the eleven falls of the Coins in 1714 and 1715.

By the 6th, 8th, and 10th articles of this edict, the Lewidors of 1709 are to be received in the Mints, and in commerce, for 16 Livres instead of 14, and the Crowns for 4 Livres instead of 3 Livres 10 Sols; they order them to be reformed and converted into new Species, without being melted down, to be current.

\* See above, art. 6. p. 54. to  $38\frac{1}{2}$ .

this proportion is 1 sequ.

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rent in the publick, upon the same foot with the new Species: Thus those old ones were raised  $\frac{7}{8}$  of their value. Notwithstanding this rise of the old Species, there still remained a difference between the one and the other of 25 *per cent*. This difference caused a considerable loss to the publick, though it brought some profit to the King and the counterfeiters of the reformation.

It has been already noticed, that in the affair of Money, it was one capital error to coin new Species of the same weight with the former ones, and that the reformation of the Coin was another, because foreigners never fail to recoin our old Species into new ones, and then return them upon us. This error we came to be sensible of, though too late; and yet it was not remedy'd.

The King, by the arret of his Council *August* 1. 1716, register'd the 12th, says, "Whereas he had been informed, that in some places of the Kingdom the old Species were pick'd up in a clandestine way, and bought at a higher rate than they gave in the Mints, which could be done with no other view, but to reform them fraudulently, or to transport them out of the Kingdom, &c. orders the officers of the Mints of *Paris*, to repair into the Provinces of their jurisdiction, to take information of such as were guilty of false coinage and reformation of the Species, and of buying them up for exporting or otherwise."

This was to be fully sensible of the disorder, but not to remove the cause of it. The King's declaration of the 29th of the same month of *August* 1716, "prohibited the import of reformed Species into the Kingdom, in order to stop the counterfeit reformation which was practised in foreign countries, and to put an end to the vast loss which it caused to the publick."

These prohibitions by no means cured the evil; for those Species were imported as well as exported, notwithstanding.

withstanding the same. Besides, counterfeit-reformation was not confined entirely to our foreign neighbours; it was likewise practised in *France*, as we learn from the orders that were given for taking information of the same abuse through the Provinces: By this time the Specie that was recoin'd abroad, was all imported; thus the prohibition was to no purpose.

It was also judged sufficient, in order to remedy the disorder introduced into commerce by the gold Species falsely reformed, or which had been imported into the Kingdom, to enact, as accordingly it was enacted by the edict of *November 1716*, publish'd the 18th, that all the Lewis new-coined or reformed should be coined over-again; and that in the Mint of *Paris* only: But neither did this resolution remove the cause of the evil, since that edict still allowed a difference of 25 *per cent.* to subsist between the Species reformed and not reformed. Accordingly the arret of council dated *January 3. 1717*, register'd *February 3.* informs us, *that the counterfeit reformation of the Specie continued more and more in foreign countries.*

None of all the means that had been used remedy'd the evil; the sole and only remedy, was to quit the King's profit, by lessening or suppressing the too great difference that was between the value of the old and that of the new Species, either by raising the value of those that remained to be reformed, or by sinking that of the reformed: But the considerable supplies that this immoderate difference yielded to the King, were too bewitching, especially in a necessitous conjuncture, to let them be determined to part with it. It is not consider'd, that a State suffers a great deal, either when this disproportion subsists between two Species exactly equal, or while the one is made lighter than the other.

It was therefore this extravagant difference of 25 *per cent.* between the Specie reformed and not reformed, that occasion'd all the mischief, even the vast loss of the Publick, however it was to the profit of the King and of

of the false reformers. This being the case, we shall know exactly the whole loss sustained by the Publick, and consequently the profits of the King, and of the false reformers, arising from those two alterations of the Money, if we can find out these three things.

*First*, The difference that was upon each alteration between the old Specie and the new.

*Secondly*, The sum that was coined and reformed upon each change or alteration, whether in bad or in good Money.

*Thirdly*, What was the profit which the King made by those means for a known and determined period of time; for whatever the Publick has lost over and above, will be what was gained by the false reformers, whether in *France*, or in foreign Countries.

*Calculation of the losses which the State sustains upon changes of the Coin.*

Now of these three articles, the first is exactly known to us: The loss of the Publick is 25 *per cent.* upon all that was reformed and coined since the edict in *December 1715*, to the end of *July 1717*. This is granted: But as to the second, we are not fully acquainted with it, but we must see to find it out; and having it, we will likewise have the third.

In 1715 there might be in *France* 600 Millions of Specie, the Mark of coined Gold being at 420 Livres, and that of Silver at 28 Livres: Of these 600 Millions, there was at least reformed and coined, by virtue of the Edict of *December 1715*, whether in *France* or elsewhere, to the amount of 450 Millions, which, after having got the new stamp, made 642 Millions 857 thousand Livres and upwards; the Mark of Lewidors being at 600 Livres, and that of Crowns at 40. Now, the difference between the old Specie and the New being 25 *per cent.* it is plain, that the Nation necessarily lost by this single operation the fourth part at least of this sum,

Which



Which is ——— 1.  
160,714,250

By virtue of the edit of November 1716, there was coined in good and bad Money, at least 150 Millions of Lewivers of new Specie, whereof the fourth is the sum of } 37,500,000

This difference alone therefore occasion'd to the Publick a loss of } 198,214,250

In time of crying down the Specie in 1714 and 1715, the price of commodities ought to have fallen in proportion to the Money, their measure ; but on the contrary, it rose, because fear acting with a much stronger impression than hope, the merchant chose to keep up his goods, being under apprehension of losing upon Money more than he would gain by selling them at a reasonable rate ; or if he sold them, he raised the price in proportion to the loss he might sustain by the fall of the Coin. For the same reason, he who had any Money sought to convert it into merchandize, which he kept with great care. Others, after their example, put the same maxim in practice, and every thing became dear, because there were more buyers than sellers.

Afterwards the numerical value of Money was raised  $\frac{1}{4}$  all at once ; commodities, which ought to have risen  $\frac{1}{4}$  too, rose only  $\frac{1}{4}$  at most ; thus they did not rise in proportion to the Money, any more than the revenues : Of this we may judge from those of the King in 1715, which as we have seen above \*, were 115,389,074 Livres, Silver being at 28 Livres the Mark, they continued the same in 1716 and 1717, though Silver had been raised to 40 Livres the Mark ; inasmuch that the King, who received in 1715 the sum of 4,121,038 Marks of Silver at 28 Livres, received in 1716 and 1717 only 2,884,726 Marks at 40 Livres ; therefore his Majesty lost, by this rise of the Coin, 1,236,312 Marks of Silver each

\* Chap. 2.

year, and  $\frac{1}{7}$  more for the additional expences he was obliged to lay out, since commodities had risen that  $\frac{1}{7}$ .

If the revenues had risen  $\frac{1}{7}$  as well as Money, those of the King, which in 1715 were 115,389,074 Livres, would have been in 1716 and 1717, 164,841,534 Livres: Now they were far from amounting to that sum, since they had not risen proportionally; whence it demonstrably follows,

I. That the revenues not having risen as the Money did, the revenue in 1716 and 1717 was consequently abated of what it had been in 1715, and the quantity received was less both in weight, standard and real value; so that we may say, the King and every proprietor of land-rents lost the whole difference.

II. That the price of commodities and labour not having risen in proportion to the Money, and yet being valued and measured by that Money which had not in itself all the reality of the measure which it expressed, it followed that our foreign neighbours who carried away the goods of our growth, arts and manufactures, upon the foot that they were valued at in the Kingdom, did not really give us the full value of them; and consequently all the difference was so much clear loss to us.

III. That what gave 7 in 1715, ought to have given 10 in 1716 and 1717: If it gives only 8, the difference 2, which is the  $\frac{2}{7}$  of 10, is the loss which the Publick sustained upon all the foreign trade of the Nation.

Now we have seen above\*, that our foreign trade amounted at least to 150 Millions *per annum*; which made, for the 19 months that elapsed from the edict of December 1715 to the end of July 1717, the sum of 237,500,000 Livres, whereof the fifth is 47,500,000

\* Art. 4. of this chapter, after the recapitulation.

Livres, for our loss with our foreign neighbours upon the trade we carried on with them 47,500,000

Our loss arising from the differences between the old and the new Species, is as we have found it above, } 198,214,250

Therefore the Nation lost by those two changes of the Money, during the 9 months aforesaid, the sum of } 245,714,250

Now the whole amount of the Coin that was new struck in the 28 Mints of France, from the edict of December 1715, to the last of July 1717, amounts only to the sum of 379 Millions 237 thousand Livres; and the difference between the old and the new Specie being 25 per cent. it evidently follows that the King could only make profit by the fourth part of this sum, amounting to 94,809,250 Livres; for which he is bound for the expences of the coinage and reformation, consequently the State really lost } 94,809,250

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150,905,000

This is what we shall attempt to prove in another way, by this other calculation.

*Another Calculation which proves the former.*

The King tells us, in his declaration of June 5, 1725, for levying the *fiftieth*, p. 2. "The extraordinary supplies from the different rises of the Specie, yielded to him from 1716 to 1720. two hundred thirty-three Millions eight hundred and ninety seven thousand Livres."

That is to say, from the edict of December 1715, to that of September 1720, which makes four years 9 months, and the sum of 473 Livres 13 Sols 8 Deniers per annum, and consequently 78 Millions 714 thousand 667 Livres 17 Sols

78 Millions 714 thousand 667 Livres 17 Sols

Sols 9 Deniers for the 19 months that passed from the same edict of *December 1715*, to the end of *July 1717*

	I.	s.	d.
Thus _____	78,071,667	17	9
<i>In the mean time the Na- tion lost</i> }	245,714,250	00	00
<i>In this case the State would really have lost</i> }	167,642,582	2	3
<hr/>			
<i>According to the first cal- culation, the King's profit is,</i> }	94,809,250	00	00
<i>According to the second it is only</i> }	78,071,667	00	00
<hr/>			
<i>The sum of these two profits is</i> }	172,880,917	00	00
<i>Therefore the mean profit between both is</i> }	86,440,458 $\frac{1}{2}$	00	00

The whole national loss 245,714,250 Livres, is therefore to the mean profit of the King 86,440,458 Livres, as  $2\frac{85}{100}$  is to 1, that is to say, the Nation loses 285, when the King, by this means, gains 100; or, if you will, the people lose 57, when his Majesty gains 20.

Who would have believed that those losses had amounted to so prodigious sums, if the most simple and easiest of all calculations, did not present us here with an invincible demonstration of it? The Nation loses 57, while the King gains only 20. Now, I demand whether, in order to procure his Majesty a supply of 20 Millions, it is advisable to make his subjects lose 57\*? And whether, in a State where the nature of commerce and Money is understood, and

\* And much more, if we consider that those losses affect the whole effects and labour of the Kingdom, in the proportion determined above, art 6.

where

where conscience is made of observing the rules of equity, this dangerous expedient ought to be practised? Is it not better for King and people to have recourse to any other means for raising the supplies for which his Majesty may have occasion, rather than to this? In fine, is it not more advantageous for the subject to pay a tax of 100 Millions rightly divided, according to the abilities of each, rather than to lose 285 by a method so ruinous? This is what I proposed to shew in this work.

It is therefore plain, that by altering our Money, we contribute ourselves to our own undoing in favour of foreigners, who, as we have now seen, gain thereby a great deal more than the King; for the *hundred and fifty Millions nine hundred and five thousand Livres of the first calculation*; or the 167,642,582 Livres of the second, by which sum the loss of the subjects exceeded the supplies which the King got by that means, must needs have turn'd only to the profit of the counterfeit reformers of the coin, either in *France*, or in foreign countries. Possibly there may remain something in the hands of the Officers of our Mints, partly for their fees of reforming and coining, and partly for the wastes, the abatements of the weight and standard which happen in their working the Coin; but this, though very considerable, is not of such importance.

We ought to blush for shame, thus to labour ourselves not only to deprive our trade of all the advantages which the situation of our Country, its fertility, and the industry of our people give it above that of our neighbours, but also to sink ourselves into those immense losses which for the most part turn to the profit of our enemies. Our own interest then invites us to lay aside for ever those ruinous resources, and to lay it down to ourselves as an inviolable rule no more to touch this measure of our reciprocal exchanges than we do our weights and other measures.

Among other nations the first reason of State is commerce: In *France* it is quite otherwise; and yet 'tis commerce that brings in plenty, that disposes of the superfluous commodities, arts and manufactures of the State, procures to us what we want, and enriches the publick equally with the individual. Consequently the trader is a subject who ought to be cherished by the State, he deserves the esteem and protection of the legislator, since he labours incessantly to make the State rich and powerful; the Money-Jobbers on the contrary, by an opposite course, labours to weaken the State. The interests of the publick will always be on the decaying hand, while those of usurers, of particular Money-Jobbers, and projecting pragmatistical people are thriving and prosperous: The welfare of the State consequently depends upon the suppression of those who enrich themselves at a time when things are in disorder: This suppression is even the best mark of a good government. It ought to protect the labouring and industrious subjects preferably to others, because on them the riches of the State depend, and by their means it is made to flourish.

Money that serves to measure every thing that enters into commerce among men, deserves no less attention than commerce itself. The Coin was held sacred by the *Romans*; it was wrought in their temples at the expences of the State; and the workmanship was exquisitely fine, to make it the more difficult to counterfeit the Coin. 'Tis in like manner considered among those of our neighbours who are most attentive to their own interests, who best understand the nature of trade and Money, and who have a strict regard to the rules of equity. Our government at present seems to be in the same temper of mind †; it has made no revolutions in our Coin for these ten years past: In which it has done no small service to the State, and therefore cannot be too much commended. Heaven grant

\* January 1736.

every

every future Ministry may lay it down as a rule to imitate the present, and the wisest of our neighbours; and may they ever remember, that *all estimation of Money above its just value, produces and maintains insupportable damage upon the exchanged goods, wherewith the Kingdom supplies foreign markets.* Then all the Specie and gold and silver bullion, which shall enter into *France* in times favourable to our commerce will not serve merely to repair the immense losses we sustain; they will also be to us an additional supply of plenty and riches, which will set us at large, and at our ease.

The arret of the Council of State, *April 10, 1717,* ordains *that the notes of the general Bank shall be received for current Money in all the payments of the King's Duties, and that all the Officers of the Finances shall pay them upon sight.* Here is the beginning of the Scheme and of the Bank-notes. Hitherto no royal effects had been taken by the King: 'Tis easy to apprehend that this favour necessarily encreased the demand for the notes, and raised the stock of the Bank. We shall not go farther, because it would be no easy matter to draw certain light from the course of exchange in that time: For which reason we pass it over, and resume our calculation at the new coinage of the Specie, according to the edict of *August 1723.*

## ARTICLE

## ARTICLE V.

*Wherein we continue to examine the effects of our alterations of the Coin upon exchange from the beginning of August 1723, to the general recoinage, according to the edict of January 1726.*

*State of the Coin and of the exchange at the beginning of August 1723.*

THE Coins which were current in *France* in the month of *July*, and at the beginning of *August* 1723, were *Lewidors* of 25 to the mark, and *Crowns* of 10 to the mark.

The *Lewidors*, which had been reformed, pass'd for 44 *Livres*. These same *Lewis* not reformed were received and paid in the *Mints* at the rate of 37 *Livres* 16 *Sols* apiece; and with an eighth in certificates of clearance, they were there received upon the foot of 36 *Livres* each.

The reformed *Crowns* passed for 7 *Livres* 10 *Sols* apiece; the unreformed ones were taken at the *Mints* at the rate of 6 *Livres* 6 *Sols*, and with  $\frac{1}{4}$  of clearance they were taken at 6 *Livres*: Here then is one *Specie* with three different values, *viz.*

	l.	s.	l.	
The Lewis {	Reformed at	44 00	that was	1100
	Not reformed at	37 16		945
	Ditto with $\frac{1}{4}$ clearance	36 00		900
The Crown {	Reformed at	7 10		75
	Not reformed at	6 6		63
	Ditto $\frac{1}{4}$ clearance at	6 00		60
				The Mark }

Here is a yet greater disorder than was under the reign of *Philip le Bel*: Three different values to one Coin, which is exactly the same; there were only two under *Philip le Bel*: but the disproportion there was indeed much greater than it is here,

Upon



Upon that foot, he who carried 220 unreformed Lewidors to the Mint, which at the rate of 37 Livres 16 Sols each, make 8316 Livres, received 189 of the same Lewis reformed, which at the rate of 44 Livres each, made also 8316 Livres. He therefore plainly lost 31 of them since he brought 220, and had only 189 in return. This loss which made up the King's profit, amounted to  $14\frac{1}{4}$  per cent. This difference still occasioned our unreformed Specie to be transported into foreign countries. Accordingly a great many counterfeits were to be seen, and this was the very thing that determined the Council to put a stop to that reformation by the edict which we are going to speak of.

He who carried to the Mints 75 Crowns not reformed at the rate of 6 Livres 6 Sols, got in return for them 63 Crowns reformed at 7 Livres 10 Sols each; consequently he lost 12 of them. This loss, which constituted the King's profit, amounted to 16 per cent. but upon Gold it was only  $14\frac{1}{4}$  per cent. This difference, which ought to have been the same in both, shews us the disproportion between those two metals; accordingly we find it to be so. The reformed Lewidors ought to have passed for 45 Livres, and the mark to have been 1125 Livres, or else the Crowns reformed ought not to have been rated above 7 Livres 6 Sols 8 Deniers each, and the mark at 73 Livres 6 Sols 8 Deniers, instead of 75 Livres: This disproportion is a dangerous error in the affair of Money.

The Crown of 10 to the mark not reformed being fixed at 6 Livres 6 Sols, the par of the Crown of Exchange was at the beginning of August 1723 upon Holland at  $41\frac{1}{100}$  gros of Bank-money; and the exchange from  $38\frac{3}{4}$  to  $40\frac{7}{8}$ . This was  $2\frac{4}{100}$  and  $\frac{2}{100}$  gros below par, or  $5\frac{8}{100}$ , and  $\frac{7}{100}$  per cent. in our prejudice.

The par of the same Crown of exchange upon London was  $23\frac{1}{100}$  pence sterling, and the exchange from  $22\frac{1}{2}$  to  $22\frac{3}{4}$ . This was  $\frac{7}{100}$  and  $\frac{4}{100}$  pence, or  $\frac{3}{100}$  and  $\frac{1}{100}$  per cent. against us. This is not so much as upon Holland, because our unreformed Specie was not so much carried

carried into *England* as into *Holland*. At that time the trade which we had with those two nations, was burdensom and chargeable to us: The Specie, however, was very high, and, as our Author would have it, since the Mark of coined Silver reformed was rated at 75 Livres, and at 63 Livres not reformed. This fact is opposite to the maxim which he lays down in the 174th page of his book.

This is the state in which we were, when by the edict of *August* 1723, register'd and publish'd the 20th, the reformation was order'd to cease, and new Lewidors to be coined of  $37\frac{1}{2}$  to the Mark, which were fixed at 27 Livres each. This was 1012 Livres 10 Sols the Mark of coined Gold; and the coinage of Crowns of 10 to the Mark was order'd to be continued; but instead of 7 Livres 10 Sols, they were only to pass for 6 Livres 18 Sols a-piece: This was 69 Livres the Mark of coined Silver. But yet the 8th Article of this edict fixes the Mark of old Lewis at 997 Livres, and that of Crowns at 68 Livres.

*The lowering of the reformed Species 8 per cent. and the raising of the unreformed.*

By this edict, the rate of the reformed Specie is lowered from 1100 Livres the Mark to 1012 Livres 10 Sols, and that of the unreformed is raised from 945 Livres to 997 Livres, which very near proportions these two values to one another. It is as if the reformed Lewidor had been reduced from 44 to 40 Livres 10 Sols, and the Lewis not reformed raised from 37 Livres 16 Sols to 39 Livres 17 Sols  $7\frac{1}{2}$  Deniers.

This expedient was absolutely necessary for the good of commerce, and for preventing the transportation of our old Species and gold and silver bullion into foreign countries; for it leaves between the rate of our old Species and that of the new, only a difference of  $1\frac{5\frac{1}{2}}{100}$  per cent. which is not so considerable as to be a motive to transport them out of the Kingdom, and therefore is an exceeding wise regulation. Had this method al-

ways

ways been taken, our Specie had not disappeared, we should have had it still among ourselves, which would have been a very great advantage to the Nation. The effect of this operation is a case, and perhaps the only one where lowering of one Specie and raising of the other are advantageous to us.

After this edict, the par of the old and of the new Crown of exchange was, with respect to *Holland*,  $37 \frac{5}{100}$  Gros of Bank-Money, and the exchange varied all the rest of the year 1723 between 40 and  $39 \frac{1}{4}$ . This was between  $2 \frac{4}{100}$  and  $1 \frac{6}{100}$  above par, making between  $6 \frac{4}{100}$  and  $4 \frac{4}{100}$  per cent. to our advantage.

The par upon *London* was  $21 \frac{1}{100}$ , and the exchange, during the rest of that year, was between 23 and  $22 \frac{1}{2}$  pence Sterling, above par and consequently to our advantage between  $8 \frac{1}{100}$  and  $6 \frac{1}{100}$  per cent.

This edict, by thus proportioning the values of those two Species near to one another, makes us regain, as we see, not only all that we had lost in the exchange before, both with *England* and *Holland*; but it also restored us to that advantageous foot which we have now seen, and that by lowering the numerical value of the reformed Specie 8 per cent. and raising the unreformed. The Mark of coined Silver was rated at 75 Livres, and now it amounts only to 69; that of the unreformed came only to 63 Livres, and now it has risen to 68. This advantage therefore is owing to nothing but to the bringing the value of those two Species near to one another, and to the demand for our commodities, arts and manufactures among foreigners.

#### A N N O 1724.

Throughout the month of *January*, and for the first 10 days of *February* 1724, the exchange upon *Holland* was between  $39 \frac{3}{4}$  and  $39 \frac{1}{4}$ . This was  $2 \frac{7}{100}$  and  $2 \frac{4}{100}$  Gros above par, and to our profit  $5 \frac{7}{100}$  and  $5 \frac{4}{100}$  per cent.

The

The exchange upon *England*, during the same space of time, was between  $22\frac{1}{2}$  and  $22\frac{3}{4}$ . This was between  $1\frac{1}{10}\%$  and  $1\frac{4}{10}\%$  pence Sterling above par, and to our profit  $7\frac{3}{10}\%$  and  $6\frac{2}{10}\%$  per cent.

### *The second Fall of the Coin.*

Such was the advantageous situation of exchange, and consequently of our trade with those two Nations; when, by the arret of council dated *February 4*, register'd and publish'd the 11th, the Lewidor of  $37\frac{1}{2}$  to the Mark, was reduced from 27 to 24 Livres, and the Crown of 10 to the Mark, from 6 Livres 18 Sols to 6 Livres 3 Sols; which brought down the Gold  $10\frac{2}{3}\%$ , or  $\frac{1}{10}\%$  per cent. and the Silver  $10\frac{2}{10}\%$  per cent.

After this fall, the par of the Crown of exchange was upon *Holland*  $41\frac{7}{10}\%$  Bank Money, and upon *London*  $23\frac{7}{10}\%$ .

On the 15th of *February* the exchange upon *Holland* was at  $44\frac{1}{2}$ , on the 17th at  $44\frac{7}{8}$ , on the 19th at 45, and the 24th at  $44\frac{7}{8}$ ; on the 1st, 10th and 25th of *March* at 45; and the rest of the month at  $44\frac{7}{8}$ ; that is to say, above par from  $3\frac{2}{10}\%$  to  $3\frac{4}{10}\%$ , which made  $7\frac{2}{10}\%$  and  $7\frac{4}{10}\%$  per cent. to our profit. Thus this advantage, instead of diminishing by this lowering of the Specie, rose more than two per cent.

On the 15th of *February* the exchange upon *London* was at  $25\frac{1}{2}$ , the 19th at  $25\frac{1}{2}$  and 26; and through the whole month of *March* at  $25\frac{1}{2}$ . This was  $1\frac{2}{10}\%$  and  $2\frac{2}{10}\%$  pence Sterling above par, and to our advantage between  $8\frac{2}{10}\%$  and  $9\frac{2}{10}\%$  per cent. which advantage also rose, notwithstanding this falling of the Coin.

### *The Third Fall.*

By arret of council *March 27*. register'd and publish'd *April 4*. the same Lewidor was reduced from 24 to 20 Livres; that is,  $16\frac{2}{3}\%$  per cent. and that same Crown

Crown from 6 Livres 3 Sols was reduced to 5 Livres ; that is,  $18\frac{2}{3}\%$  per cent.

After this fall, the par of our Crown of exchange upon *Holland* was at  $51\frac{5}{8}\%$  Gros Bank-Money, and upon *London* at  $29\frac{1}{4}$  pence Sterling.

The exchange with *Amsterdam* was from the 7th of *April* to the 20th of *September* between  $54\frac{1}{4}$  and  $53\frac{1}{4}$ ; that is to say, between  $2\frac{3}{8}\%$  and  $1\frac{3}{8}\%$  Gros above par, and consequently between  $4\frac{3}{8}\%$  and  $2\frac{6}{8}\%$  per cent. to our advantage.

In that same space of time the exchange upon *London* was between  $30\frac{1}{4}$  and  $30\frac{1}{2}$  pence Sterling, this was between  $1\frac{1}{4}$  and  $1\frac{1}{2}$  pence above par, and to our profit between  $5\frac{1}{8}\%$  and  $4\frac{2}{8}\%$  per cent.

This fall makes us therefore lose more than 4 per cent. of advantage we had before the preceding one, both with *Holland* and *England*.

*The fourth Fall of 20 per cent.*

By another arrêt of council dated *September* 22. and published the same day, those same Lewis were reduced from 20 to 16 Livres, and the Crown from 5 to 4 Livres, which reduced the Mark of coined Gold to 600 Livres, and that of Silver to 40 Livres.

After this fall, the par upon *Holland* was at  $64\frac{3}{4}$  Gros of Bank-Money, and upon *England* at  $36\frac{2}{8}$  pence Sterling.

And by edict, register'd and publish'd the 26th of the same month of *September*, a mandate was given for a new coinage of Crowns at the rate of  $10\frac{3}{4}$  to the Mark, and consequently lighter in weight than the former of 10 to the Mark. These new Crowns of  $10\frac{3}{4}$  to the Mark, were however likewise fixed at 4 Livres ; which raised the rate of coined Silver to 41 Livres 10 Sols the Mark, and made an unhappy disproportion between the value of old Crowns of 10 to the Mark, and that of the new, which were  $10\frac{3}{4}$  to the Mark ; in regard that while those passed for 4 Livres, the

the others were worth 4 Livres 3 Sols a-piece ; so that those 3 Sols of profit could not chuse but cause the old Crowns to be fought after and transported \*.

The par of these new Crowns of exchange upon *Amsterdam* was  $62\frac{4}{100}$ , and upon *London*  $35\frac{2}{100}$ . Thus here are two pars, the one of the old Crowns, and the other of the new ones : It is that of the old ones that we shall trace.

The same day that this edict was publish'd, and four days after this fourth fall of our Coin, the exchange upon *Amsterdam* was at  $67\frac{1}{2}$  or  $\frac{3}{4}$ . This was  $2\frac{7}{100}$  Gros above par, or  $4\frac{2}{100}$  per cent. to our advantage.

The same day, *September* 26. the exchange upon *London* was at 38 pence Sterling, this was  $1\frac{7}{8}$  pence above par, and  $3\frac{9}{100}$  per cent. to our profit : Thus this advantage falls with the Specie.

In *October* the exchange upon *Amsterdam* was at  $66\frac{1}{4}$ ; this was two Gros above par, or 3 per cent. in our favour.

Upon *London*, throughout the same month, it was at  $37\frac{7}{8}$ ; this was  $1\frac{5}{8}$  pence Sterling above par, or  $3\frac{5}{100}$  per cent. to our advantage.

Here we see that this advantage diminished from day to day, to which the rumours which were then spread of an approaching fall contributed.

These rumours interrupted trade, and made commodities rise ; whereas, on the contrary, they ought to have fallen with the Specie to such a degree, that the Court of Mint, by their arret of *October* 18, forbid any surmises or insinuations of falling the Coin under pain of being fined in 1500 Livres.

In *November* the exchange upon *Amsterdam* was at  $65\frac{1}{8}$  and  $65\frac{1}{2}$ ; this was from  $\frac{3}{100}$  to  $\frac{7}{100}$  Gros above par, or  $\frac{3}{100}$  and  $\frac{5}{100}$  per cent. in our favour.

Upon *London* it was from  $37\frac{1}{4}$  to  $37\frac{1}{2}$ , above par  $\frac{1}{8}$  and  $\frac{1}{4}$  pence Sterling, or from  $1\frac{8}{100}$  to  $2\frac{5}{100}$  per cent. to our profit.

\* See chap. 1. art. 8.

And in *December* it was upon *Holland* from  $64\frac{7}{8}$  to 64, that was  $\frac{1}{8}$  above par, making  $\frac{3}{100}$  per cent. for us, and  $\frac{3}{8}$  below the same par, making  $\frac{1}{100}$  per cent. against us.

Upon *London* it was in *December* from  $37\frac{1}{4}$  to 37 pence, this was  $\frac{9}{8}$  and  $\frac{7}{8}$  pence above par, and from  $1\frac{5}{100}$  to  $1\frac{1}{100}$  per cent. to our advantage.

Before we have done with 1724, let us remark that in the falls of the Coin which happened this year, it was thought more eligible that the King should sustain a loss of 34 millions 828 thousand 818 Livres, than that the same loss should fall upon his subjects, in whose hands those Species should be, if in order to save that loss to the King, the Ministry had paid off his Debts. I am at a loss to find out the motive which influenced the Ministry to take those measures.

The King in his declaration of *June 5, 1725*, for levying the fiftieth, says page 4. 'That he is charged over and above the ordinary expences, with the payment of what was resting of the preceding years, amounting to upwards of 40 millions, and with the loss which his Exchequer suffered from the unavoidable necessity of the frequent falling of the Coins, which by the reduction of the Specie had brought upon him a real loss of *thirty-four millions, eight hundred, twenty-eight thousand, eight hundred and eighteen Livres*; That his Majesty has supported it with the more pleasure, that it was impossible wholly to efface the notion of imaginary riches, to restore the affairs of the kingdom in general, and the fortune of particulars to a true and fix'd situation, and to procure to the subjects the fall of the price of commodities and merchandise, but by lowering the value of Money.'

It would seem that they ought naturally to have begun by discharging the remaining debts, in order to save that immense loss to the King: But from a reason of State which it does not become me to dive into, they chose rather to lay it upon his Majesty than upon

his subjects, on whom the Ministry had raised by the different rises of the Coin, by the recoinages and other alterations of Money, since the beginning of 1716 to the end of *August* 1723, a profit of *three hundred fifty-three millions, five hundred thirty-two thousand Livres*, according to the same declaration, pages 2 and 3.

We are not told what funds his Majesty had in his Exchequer: I have been assured by several persons that there was an arret declaring what sums of Money the King had in his coffers at the death of the Regent: But it has never been in my power to find it out. For what remains, knowing the loss sustained by those three falls and reductions of the Specie, the following calculations will shew us with precision, not only the sum which the King had at the time of the first, second, and third fall, but also the particular losses ensuing from each fall, *viz.*

The 1st, Fe- { Upon Gold  $10\frac{87}{1000}$  } the loss at a {  $10\frac{87}{1000}$   
bruary 4. { Upon Silver  $10\frac{87}{1000}$  } medium is { per cent.

The 2d, { Upon Gold  $16\frac{66}{1000}$  } the loss at a {  $17\frac{68}{1000}$   
April 4 { Upon Silver  $18\frac{70}{1000}$  } medium is { per cent.

The 3d, September 22 is ———— 20

By the 1st, 100 is reduced to  $89\frac{13}{1000}$  since the loss is  $10\frac{87}{1000}$

By the 2d,  $89\frac{13}{1000}$   $71\frac{43}{1000}$   $17\frac{68}{1000}$

By the 3d,  $71\frac{43}{1000}$   $51\frac{43}{1000}$  20

And by reducing to whole numbers we shall have

10000 reduced to 8913 by the loss of 1087

8913 7145 1768

7145 5145 2000

The whole loss therefore is represented by 4855

Which



Which gives me these proportions, and the loss sustained upon each fall.

	l.		s.	d.	Falls
4855:34,828,818::	1087:07,797,924	17	0	I.	
4855:34,828,818::	1768:12,683,285	6	4	II.	
4855:34,828,818::	2000:14,347,607	16	6	III.	

The sum of the particular losses is equal to the total loss, which proves the calculations } 34,828,817 19 10  
 For the fractions neglected ———— 2

We shall find out the sums which he must have had in cash at the time of each fall, by the solution of these three other analogies, which are all of them here resolved.

Losses upon each fall.

What was in cash.

	l.		s.	d.		l.		s.	d.
I.	1087:10000::	07,797,924	17	0		71,738,059	1	11	
II.	1768:08913::	12,683,285	6	4		63,940,114	5	4	
III.	2000:07145::	14,347,607	16	6		51,256,828	18	2	

	l.	s.	d.
<i>It results from these calculations that in order to have lost 34,828,818 Livres upon those three falls, he must have had in cash at the time of the first</i>	71,738,039	1	11
<i>And have lost</i> _____	7,797,924	17	00
<i>The remainder is what he must have had at the second</i>	63,940,114	4	11
<i>Which lost</i> _____	12,683,285	6	4
<i>The remainder is what he must have had at the third</i>	51,256,828	18	7
<i>The loss upon this was</i> _____	14,347,607	16	6
<i>Therefore there must have remained after the three falls</i>	36,909,221	2	1
<i>The loss is</i> _____	34,828,817	19	10
<i>The total is equal to the first sum</i>	71,738,039	1	11

An incontestable proof that the calculation is just.

This equality is a proof of the justness of these calculations, whence it follows that the King had in his coffers at the time of the first fall a sum of 71 millions, 738 thousand, 39 Livres, and that after the falls were passed, he had only remaining the sum of 36 millions, 909 thousand, 221 Livres.

*The effects of the falls of the Specie.*

Besides the loss which the King sustains by these falls of the Coin, they destroy industry, they raise the price of labour, sink the price of commodities, and accumulate

late Debts; which ruins traders and the greatest part of manufactures: Whence ensues a suspension of commerce, which forces artists from the Kingdom, and causes a sensible loss to the State, which our neighbours well know how to improve: They have seized upon several branches of trade, which never would have been in their power, had it not been for such circumstances.

A N N O 1725.

During this year the course of exchange was  
Upon *Holland.* Upon *London.*

<i>In January</i>	64 g. to 64 g.	$37\frac{1}{4}$ to $37\frac{1}{4}$
<i>In February</i>	$65\frac{1}{2}$ to $66\frac{1}{2}$	$37\frac{1}{2}$ to $37\frac{3}{4}$
<i>In March</i>	$65\frac{3}{8}$ to $66\frac{1}{2}$	$37\frac{3}{8}$ to $38\frac{1}{2}$
<i>In April</i>	68 to $67\frac{3}{8}$	39 to $38\frac{3}{4}$
<i>In May</i>	$67\frac{3}{4}$ to 68	$38\frac{3}{4}$ to 39
<i>In June</i>	$67\frac{7}{8}$ to $68\frac{7}{8}$	39 to $39\frac{1}{2}$
<i>In July</i>	$68\frac{1}{4}$ to $68\frac{1}{4}$	$39\frac{1}{8}$ to $39\frac{1}{8}$
<i>In August</i>	68 to $67\frac{1}{4}$	39 to $38\frac{1}{2}$
<i>In September</i>	$67\frac{1}{2}$ to $67\frac{3}{4}$	$38\frac{3}{4}$ to $38\frac{3}{4}$
<i>In October</i>	$67\frac{3}{8}$ to $67\frac{1}{2}$	$38\frac{3}{4}$ to $38\frac{3}{4}$
<i>In November</i>	$67\frac{1}{2}$ to $67\frac{1}{4}$	$38\frac{1}{2}$ to $38\frac{5}{8}$
<i>In December</i>	$67\frac{3}{8}$ to $67\frac{3}{8}$	$38\frac{3}{4}$ to $38\frac{3}{4}$

This course of exchanges shews us at one view, that in the month of *January* alone, it was below par with *Holland*  $\frac{3}{4}$  Gros, or  $1\frac{1}{100}$  per cent. in our prejudice; and that through the rest of the year it exceeded the par from  $\frac{3}{4}$  to  $1\frac{1}{4}$ ,  $1\frac{3}{4}$ ,  $2\frac{7}{8}$  and  $4\frac{1}{2}$  Gros. Which shews us, that notwithstanding those great falls of the Specie, we recovered the advantage of trade over that Nation from  $1\frac{1}{100}$  to  $1\frac{9}{100}$ ,  $2\frac{7}{100}$ ,  $4\frac{3}{100}$ , and  $6\frac{6}{100}$  per cent.

This same course of exchange lets us see, that throughout the whole year it was advantageous to us  
P 3 with

with *England*  $\frac{1}{16}$ ,  $1\frac{3}{16}$ ,  $1\frac{1}{8}$ ,  $2\frac{7}{16}$ , and  $2\frac{1}{2}$  pence Sterling, which make  $1\frac{3}{16}$ ,  $3\frac{3}{16}$ ,  $5\frac{3}{16}$ ,  $6\frac{6}{16}$ , and 8 per cent.

A N N O 1726.

*The fifth Fall of  $12\frac{1}{2}$  per cent.*

By arret of council, *December* 4. 1725. the *Lewidor* of 16 Livres is reduced to 14 Livres, and the Crowns of 10 and  $10\frac{1}{4}$  to the Mark, from 4 to 3 Livres 10 Sols a-piece against the first of *January* of this year 1726.

This fall raised the par of the Crown of exchange upon *Holland* to  $74\frac{1}{16}$  Gros Bank-Money, and upon *London* to  $41\frac{1}{16}$  pence Sterling.

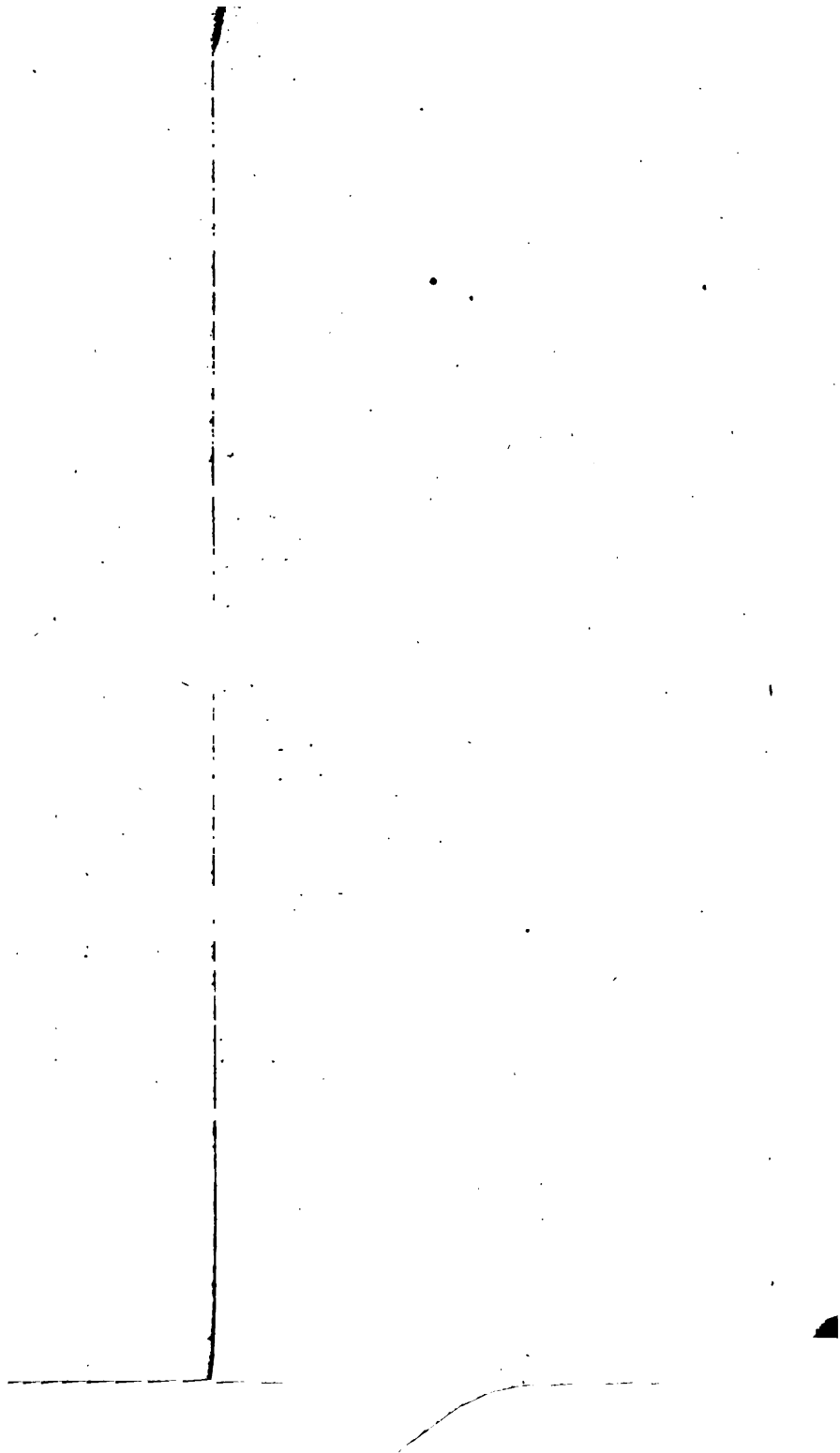
During the current month of *January* 1726, the exchange upon *Amsterdam* was between  $72\frac{1}{2}$  and  $71\frac{1}{4}$ ; this was  $1\frac{6}{16}$  and  $2\frac{3}{16}$  Gros below par, and between  $2\frac{1}{16}$  and  $3\frac{4}{16}$  per cent. in our prejudice.

Upon *London* the exchange was between 42 and  $40\frac{1}{4}$ ; this was  $\frac{2}{16}$  above par, or  $\frac{1}{8}$  per cent. to our advantage, and  $1\frac{3}{16}$  pence below par, or  $2\frac{6}{16}$  to our disadvantage.

The unvariableness of our Coins in the year 1725, had recover'd an advantage to us with *Holland* of  $1\frac{1}{16}$  and  $6\frac{3}{16}$  per cent. Here we are under a loss of  $2\frac{1}{16}$  and  $3\frac{4}{16}$ ; which makes a difference to our prejudice of  $3\frac{2}{16}$  and  $10\frac{2}{16}$  per cent. whereof the difference, at a medium, is  $6\frac{1}{3}$  per cent.

In like manner with *England* our advantage before was from  $1\frac{3}{16}$  to 8 per cent. We are now at a disadvantage with that Nation of  $2\frac{1}{16}$  per cent. The difference, in our prejudice, is therefore from  $4\frac{1}{16}$  to  $10\frac{4}{16}$  per cent. whereof the mean difference is  $7\frac{5}{16}$  per cent.

Thus we may say, that by this fall, together with the report that was then spread of a general recoinage,  
and



IND.				With ENGLAND.							
Disadvantage.				Advantage.				Disadvantage.			
100	Whole	100	Whol	100	Whole	100	Whole	100	Whole	100	Whole
35 to		70						3	5 to	1	98
			8	54 to	6	18					
			7	36 to	6	93					
			8	28 to	9	29					
			5	12 to	4	27					
			3	93 to	3	93					
			3	58 to	3	58					
			1	88 to	1	56					
15 to	1	15	1	53 to	1	19					
to	1	15	1	88 to	1	88					
15 to			1	88 to	1						
51 14 to	3	84		52 to		52	2	46 to	2	46	
14 to	6	14	44	50 to	48	33	2	46 to	2	46	
14			48	33			2	46			
58			92	83			4	92			
29			46	41			2	46			
76			4	22			2	46			

Fronting Page 215.

and of a rise of the numerical value of those Species, we lost 6 or 7 per cent.

*The sixth Fall of  $14\frac{2}{3}$  per cent.*

The same arret of *December 4. 1725*, reduces against the first of *February 1726*, that same Lewidor from 14 to 12 Livres, and the same Crowns of 10 and  $10\frac{2}{3}$  to the Mark, from 3 Livres 10 Sols, to 3 Livres. It fixes the Mark of fine Gold at 481 Livres 1 Sol 1 Denier, and that of fine Silver at 33 Livres 6 Sols; that of the old Crowns at 30 Livres 10 Sols 6 Deniers, which makes a sixth fall as to those Species: Its effects we shall see in the following article. We shall close this by a recapitulation of the advantages and disadvantages of our trade, from the beginning of *August 1723*, to the end of the present month of *June 1726*.\*

This table shews us first, that before the edict of *August 1723*, we were under a disadvantage with *Holland* of between  $5\frac{2}{100}$  and  $7\frac{0}{100}$  per cent. and with *England* between  $3\frac{5}{100}$  and  $1\frac{0}{100}$  per cent. This disadvantage was owing to the too great disproportion there was between the rate of the old unreformed Species, and that of the same Species reformed; but then we see that so soon as this edict had brought those numerical values near to one another, by raising that of the unreformed, and lowering that of the reformed and new ones: This operation, which was as wise as it was necessary, made us regain not only all the disadvantages we had with those two Nations; but it also restored to us an advantage of  $6\frac{4}{100}$  and  $4\frac{4}{100}$  per cent. with *Holland*, and  $8\frac{5}{100}$  and  $6\frac{8}{100}$  per cent. with *England*; which at once made a difference to our advantage of  $5\frac{1}{100}$  and  $12\frac{8}{100}$  with *Holland*; which difference, at a medium, is  $8\frac{7}{100}$  per cent. And with *England* this difference in our favour was between  $1\frac{2}{100}$  and  $8\frac{1}{100}$ ,

\* Here the table is to be inserted referred to p. 215.

which, at a medium, was  $9\frac{7}{100}$  per cent. Thus we may say, that this expedient was of more consequence to us than 8 or 9 per cent. upon all the trade which we had with those two Nations.

This fact proves invincibly what then were, and what always will be, the irregular effects of giving a different legal value to two Species that are exactly the same, as well as the necessity of such an expedient in a parallel case.

From this recapitulation we see, in the month of *January* and the first ten days of *February* 1724, our advantage with *Holland* was from  $5\frac{7}{100}$  to  $5\frac{4}{100}$  per cent. and with *England* from  $7\frac{3}{100}$  to  $6\frac{9}{100}$  per cent. This advantage, instead of diminishing by the crying down of the Coin in *February* 11, increased more than 2 per cent. with *Holland*, since, throughout the rest of *February*, and the whole month of *March*, our advantage with that State was between  $7\frac{8}{100}$  and  $7\frac{5}{100}$  per cent. and with *England* this advantage increased likewise from 1 to 2 per cent.

In like manner, we see by this table, that the falling the Coin *April* 4. made us lose from 3 to 4 per cent. and upwards, of this advantage with *Holland*, and likewise between 3 and 5 per cent. with *England*, since, after this fall, our advantage was only  $4\frac{5}{100}$  and  $2\frac{6}{100}$  per cent. with *Holland*, and between  $5\frac{1}{100}$  and  $4\frac{2}{100}$  per cent. with *England*.

This same table likewise shews us, that the fourth fall of the Coin in *September* 22. 1724, made us lose by degrees the advantage we had with *Holland*; inso-much, that during the month of *December* 1724, and *January* 1725, we were at a disadvantage with that State  $1\frac{5}{100}$  per cent. This fall did not bring us under any loss with *England*; but it made our advantage fall more than 3 per cent. since, in the month of *December* 1724, it was only between  $1\frac{3}{100}$  and  $1\frac{2}{100}$  per cent. and in the month of *January* this advantage rose again to  $1\frac{8}{100}$  per cent.

During



During the eleven last months of 1725, when our Money was settled, our advantage rose from  $1\frac{8}{100}$  to 8 per cent. with *England*, and with *Holland* from  $1\frac{1}{100}$  to  $6\frac{3}{100}$  per cent.

But the settled State of our Money, and the advantages of our trade, were overthrown by advertizing a fall of the same Species, according to the arret of council dated *December* 4. 1725, against the first of *January* 1726; and still more, by the rumour that was spread at that time of a general recoinage of our Money, and of a rise of its numerical value: Those unhappy circumstances made us fall from that advantageous situation in which we were, into a disadvantage with *Holland* of between  $2\frac{1}{100}$  and  $3\frac{3}{100}$  per cent. and with *England* also  $2\frac{8}{100}$  per cent. insomuch, that the bare report of a recoinage and raising of the Specie, caused a difference in our trade to our prejudice of  $6\frac{1}{4}$  per cent. with the one, and of  $7\frac{2}{3}$  per cent. with the other.

We see, however, by this recapitulation, that from *August* 20. 1723, to the end of *January* 1726, during which time our Specie suffered five great falls, they reduced the Mark of coined Gold from 1100 Livres to 525 Livres, which makes  $47\frac{1}{11}$  per cent. and likewise the Mark of coined Silver from 75 to 35 Livres, which makes  $46\frac{2}{3}$  per cent. Our advantage with *Holland*, at a medium, is there represented by  $34\frac{5}{100}$ , and also our disadvantage, at a medium, by  $5\frac{2}{100}$ . Thus our advantage with that Nation is to our disadvantage as  $6\frac{3}{100}$  is to 1.

And with *England* our advantage, at a medium, during that time, is represented by  $46\frac{8}{100}$ , and our disadvantage by  $2\frac{4}{100}$ ; thus our advantage is to our disadvantage as  $18\frac{2}{100}$  is to 1.

These are very plain proofs, that notwithstanding those high and frequent falls of the Coin, yet those two Nations took more from us than we took from them, and consequently that our commodities, arts and manufactures, fell in their price as the Specie did in its value. It is not therefore true in general, that if we lower

*lower our Coins to put them upon the old foot, Foreigners, especially the Dutch, who are Masters of the trade of Europe, and consequently of the course of exchange, will keep them low, in order to draw in our Specie to themselves.* Here we see a proof of the contrary, even from experience.

This objection is none of our Author's; but here we have obviated it by the by, as well as this other one. *Our Coins being low, Foreigners come no longer to buy off our commodities, and they remain so much clear loss to us.* It is plain, that this objection is also ill founded, since we have seen, that notwithstanding five successive falls of the Coin, foreigners were so far from ceasing to take our commodities, that they even carried them off in greater quantity than after a rise of the Specie: But supposing for once, that the facts laid down in these two objections are generally true, let us enquire to what it may be owing.

Certain it is, that if after one or more falls of our Coin, our foreign neighbour can have the same quantity of our commodities for the same weight of Gold and Silver that he gave formerly, the vent of them will still be the same. If, for example, our Lewidors of 24 Livres were reduced to 20 Livres, and for the same Lewidor our foreign neighbour gets the same quantity of commodities as formerly, he will always buy equally; but if after a fall he is made to pay 24 Livres for them as before, this, to be sure, is what he will not agree to; and he is in the right. We see therefore very plainly, that the remedy for this evil is in our own hands. A mistaken view of our own interest, is the only cause to which it is owing; it is but correcting this, and order will soon be establish'd as at first,

These facts are quite opposite to the objections that are made against falling of the Coin, and to the reasons given in favour of raising it: They even answer them in a way that appears to leave little room for a reply;

reply; which I take to be a demonstration, that low Specie is not so great an impediment to our trade as the high, since it was in an advantageous situation at the end of 1715, after eleven falls of the Coin, which had reduced the Mark of our Silver from 40 to 28 Livres\*; and through the whole year 1725, and *January* 1726, after five falls, which reduced the Mark of Silver from 75 to 35 Livres. This advantage in both the one and the other period, continued so long as our Coins were in a settled State. But this does not say, that falling the Coin is in itself advantageous to us; we have already said above, *art.* 5. and we shall repeat it here word for word, that such expedients destroy industry, raise the price of labour, lower the price of merchandize, and accumulate debts, which ruins traders, and the greatest part of manufactures; whence ensues a suspension of trade, which forces artists out of the Kingdom, and causes notable prejudice to the State.† Foreigners know how to take their advantage of this; they have seized upon several branches of trade, which they never would have had but for such circumstances. Add to all this, that the King lost by the falls of the Coin in 1724, *thirty-four Millions eight hundred twenty-eight thousand a hundred and eighteen Livres*‡, as we have seen above: Such are the happy consequences of raising the Coin!

\* See above in this chapter, *art.* 4. and the recapitulation.

† See what is said above, *chap.* 1. *art.* 6. and at the end of the fourth article of this chapter.

‡ According to his declaration of June 5. 1725, for levying the fiftieth, *p.* 4. The passage is quoted above.

## ARTICLE VI.

*Wherein we continue to examine the influence of the variations of the Coin upon exchange, from the first of February 1726, to the end of the year 1734.*

*Eleven last months of 1726.*

WE have seen before, at the end of the preceding article, that the sixth fall of the Coin, intimated by the arret of *December 4. 1725*, to be against the first of *February* following, reduces the Lewidor from 14 to 12 Livres, and the Crowns from 3 Livres 10 Sols, to 3 Livres.

During the month of *February 1726*, and the following months, the par upon *Amsterdam* of the Crown of 10 to the Mark, become the Crown of exchange, was  $86\frac{4}{10}$  Gros Bank-Money, and for that of  $10\frac{1}{4}$  to the Mark,  $83\frac{3}{10}$  Gros likewise of Bank-Money.

The par upon *London* of the Crown of 10 to the Mark, was at  $48\frac{1}{2}$  pence Sterling, and of the Crown of  $10\frac{1}{4}$  to the Mark, it was 47 pence Sterling. But before we speak of the exchange, it is proper to say something of the edict of 1726, register'd and publish'd *February 4.*

*The general recoinage and first rise of the old Specie.*

By the edict of *January*, register'd and publish'd *February 4. 1726.* an order is given for a general recoinage of all our Money, and for coining new Lewidors of 22 carrats standard, at the rate of 30 to the Mark, with a licence for abating 15 grains *per* Mark in the weight, and of  $12\frac{1}{4}$  of the standard\*, according to the declaration of the 12th of *February* current, which Lewis were fixed at 20 Livres each.

\* *Remede du poids & du fin.* explained above.

And

And of Crowns of 11 penny weight of standard, at the rate of  $8\frac{3}{10}$  to the Mark, with an allowance for abating 36 grains *per* Mark in the weight, and of 3 grains in the standard, which Crowns were fixed at 5 Livres a-piece.

The Mark of fine Gold being fixed at 536 Livres 14 Sols 6 Deniers; and that of fine Silver at 37 Livres 1 Sol 9 Deniers; the Mark of old Lewidors at 492 Livres, and that of old Crowns at 34 Livres.

The 7th article of this edict orders *the Lewidors of  $37\frac{1}{2}$  to the Mark, and the Crowns of 10, and of  $10\frac{3}{4}$  to the Mark, still to be current in commerce from the first of February, to the last of April 1726, the Lewis upon the foot of 12 Livres, and the Crowns for 3 Livres, till there be enough of new Specie coined.*

	l.	s.	d.
<i>The Lewidor of <math>37\frac{1}{2}</math> to the Mark being fixed at 12 Livres, the mark of coined Gold was consequently worth</i>	450	00	00
<i>The Crowns of 10 to the Mark being at 3 Livres, the Mark of coined Silver was worth</i>	30	00	00
<i>Therefore the proportion between coined Gold and Silver at that time was</i>	15	00	00
<i>But the Crowns of <math>10\frac{3}{4}</math> to the Mark being likewise valued at 3 Livres each, the Mark of them made</i>	31	2	6

The proportion between Gold and Silver according to the rate of these last Crowns was only  $14\frac{3}{8}\frac{2}{3}$ .

The Mark of old Lewidors being fixed at 492 Livres, and that of old Crowns at 34 Livres, the proportion between these two metals is  $14\frac{8}{17}$ , and the rise of Gold is  $9\frac{1}{7}$  per cent. that of Silver is  $13\frac{1}{7}$  per cent. in the Crowns of 10 to the Mark, and  $9\frac{5}{9}\frac{2}{3}$  per cent. in those of  $10\frac{3}{4}$  to the Mark. This is with respect to the old Specie; here is what respects the new.

II. *The Rise of the numerical value of Gold and Silver.*

	l.	s.	d.
<i>The 30 Lewidors to the mark, at 20 Livres each, make 600 Livres for the Mark of coined Gold</i>	600	00	00
<i>The <math>8\frac{2}{5}</math> Crowns rated at 5 Livres to the Mark, make for the Mark of coined Silver</i>	41	10	00

According to these rates, the proportion between the two metals was  $14\frac{5}{11}$ , and the rise of the numerical value, was a third upward, or  $33\frac{1}{3}$  per cent. on Gold and Silver, calculating from the first rate 450 Livres the Mark of coined Gold, and  $31\frac{1}{3}$  Livres that of Silver, as it is by the 6th fall of the first of *February*: And if we calculate after the rise which we have been speaking of, from 492 Livres the Mark of Gold, and 34 Livres that of Silver, the numerical rise will only be  $21\frac{2}{5}$  per cent. on Gold, and  $22\frac{1}{7}$  per cent. on Silver.

Here then we are in the same state as we were after the coinage of Crowns of  $10\frac{2}{5}$  to the Mark, according to the arret of *September 26, 1724*; for these new Crowns of  $8\frac{2}{5}$  to the Mark are not higher rated at 5 Livres than those of  $10\frac{2}{5}$  to the Mark were at 4 Livres, since in either case the numerical value of the Mark of those Crowns is still 41 Livres 10 Sols; the Crown of exchange of 3 Livres is consequently the same; this being allowed, the par will also be the same, viz.  $62\frac{4}{5}$  gros on *Amsterdam*, and  $35\frac{2}{5}$  pence sterling on *London*; But there was not yet new Specie in the publick; the old Crowns of 10 and of  $10\frac{2}{5}$  to the Mark passed in commerce for 3 Livres until the last of *April*, according to the 7th article of this edict of *January*; and these same Crowns were taken in the Mints at 34 Livres the Mark: This was to take the same Crown of 10 to the Mark upon the foot of 3 Livres 8 Sols, and that of

$10\frac{2}{5}$

10½ to the Mark at 3 Livres 5 Sols 6¼ Deniers. The new Species that were to be coined, were still lighter, since their numerical value was higher; thus this operation produced the effect of a second rise of the Coin.

These different changes in our Species gave such a violent shock to exchange, that people knew not how far it was proper to risk and engage in business. They made foreigners dread new revolutions in this measure: Upon which they gave over at once to remit their Money to *France*; they even sought to remove their trade and fortunes out of a country where Money, whose legal value ought to be fix'd, is in continual flux and agitation. The *French* on the contrary sent their Money abroad: Foreigners remitted it to them by a more advantageous return, than if they had carried it to the Mint.

'Tis easy to apprehend, that in such circumstances people keep up their Money, trade languishes, foreigners not knowing what to depend upon, cease for a time to take our commodities, arts and manufactures, and *France* still continuing to take those of its foreign neighbours, loses the ballance of trade. For paying those imported commodities, she finds no more letters of exchange: In which case the transportation of our Money is unavoidable, and our old and good Species pass over into foreign countries, which makes the exchange fall below par, and consequently to the disadvantage of the nation.

We have seen before at the beginning of this article, that the par of the Crown of 10 to the Mark, become the Crown of exchange of three Livres, is on *Amsterdam* 86.  $\frac{43}{100}$  Gros Bank-Money, and that of the Crown of 10½ to the Mark, having the same value, is 83  $\frac{32}{100}$ .

The par of the former of those Crowns on *London* is 48  $\frac{3}{4}$  pence sterling, and that of the second 47 pence sterling.

Now on the 7th of *February* 1726, seven days after the fall, and three days after the publication of the edict of

of *January*, the exchange upon *Amsterdam* was at 71 Gros. This was  $15\frac{4}{5}\frac{5}{8}$  Gros below the par  $86\frac{4}{5}\frac{5}{8}$ , and  $12\frac{1}{5}\frac{2}{8}$  Gros below the par  $83\frac{3}{5}\frac{3}{8}$ ; which made  $17\frac{8}{10}\frac{7}{8}$  *per cent.* to our disadvantage in the first case, and  $14\frac{7}{10}\frac{8}{8}$  *per cent.* in the second. The disadvantage at a medium between these is  $16\frac{6}{5}\frac{5}{8}$  *per cent.*

On the 11th of *February* this exchange rose again to  $80\frac{1}{4}$  and  $\frac{3}{4}$ ; on the 23d it was at  $79\frac{3}{4}$  and  $\frac{1}{4}$ ; the same day it fell back to  $73\frac{1}{2}$ , when we drew upon *Amsterdam* at double usance\*: For the traders were so nonpluss'd that there was no course regulated as to that place for some days, no body daring to run any risk. This exchange was therefore on the same days, the 11th and 13th of *February*, from  $6\frac{2}{10}\frac{0}{8}$  to  $12\frac{9}{10}\frac{3}{8}$  Gros below the par  $86\frac{4}{5}\frac{5}{8}$  which made from  $7\frac{1}{10}\frac{7}{8}$  to  $17\frac{1}{10}\frac{5}{8}$  *per cent.* to our loss, whereof the mean loss was  $12\frac{1}{10}\frac{6}{8}$  *per cent.* and from  $3\frac{7}{10}\frac{0}{8}$  to  $7\frac{8}{10}\frac{3}{8}$  Gros below the par  $83\frac{3}{5}\frac{3}{8}$  of the Crown of  $10\frac{3}{4}$  to the Mark, making  $3\frac{8}{10}\frac{8}{8}$ , and  $9\frac{3}{10}\frac{8}{8}$  *per cent.* against us, whereof the loss at a medium is  $6\frac{5}{10}\frac{3}{8}$  *per cent.* Our disadvantage at a medium during this month, is therefore from  $9\frac{5}{10}\frac{7}{8}$  to  $10\frac{4}{10}\frac{4}{8}$  *per cent.*

On the 19th and 23d days of *February* the exchange upon *London* was from  $43\frac{1}{4}$  to  $45\frac{3}{4}$  and  $\frac{1}{4}$ . The same 23d day it fell to  $41\frac{3}{4}$ : This was  $5\frac{1}{2}$ , 3 and 7 pence sterling below the par  $48\frac{3}{4}$  of the Crown of 10 to the Mark, making  $11\frac{2}{10}\frac{8}{8}$ ,  $6\frac{1}{10}\frac{5}{8}$ , and  $14\frac{3}{10}\frac{5}{8}$  *per cent.* against us, whereof the loss at a medium is  $10\frac{2}{10}\frac{9}{8}$  *per cent.* and  $3\frac{3}{4}$ ,  $1\frac{1}{4}$ , and  $5\frac{1}{4}$  pence sterling below the par 47 of the Crowns of  $10\frac{3}{4}$  to the Mark, which made  $7\frac{9}{10}\frac{7}{8}$ ,  $2\frac{6}{10}\frac{6}{8}$ , and  $11\frac{1}{10}\frac{7}{8}$  *per cent.* to our disadvantage, whereof the mean loss was  $7\frac{2}{10}\frac{6}{8}$  *per cent.* and our disadvantage at a medium through the course of this month is from  $4\frac{8}{10}\frac{7}{8}$  to  $12\frac{1}{10}\frac{3}{8}$  *per cent.*

The difference between the rate of the old Species and that of the new, which was  $33\frac{1}{3}$  *per cent.* reckoning upon the current value given to those old Species by the 7th article of this edict, or 22 *per cent.* if we take

\* That is, payable two months after date.



the rate at which they were received in the Mints according to the same edict. This difference sets before us the loss sustained by the publick, or by any private person who carried his old Species to the Mint; there is nothing surprising, if in such a case every one uses the means which he shall judge proper to save that loss to himself, or at least a good part of it. 'Tis but too evident that neither penalties nor menaces can prevent it; it even happens that foreigners who find their account in it, as we have seen above, point out to the subject of *France* the expedients which he ought to take. The latter sends over to the other those old Species and gold and silver Bullion; and the foreigner gives him a return in letters of exchange, or in goods of a higher value than he would have got in *France* in new Specie by 8, 10, or 12 *per cent.* according as the exchange is more or less favourable to the foreigner.

To make this more intelligible, I suppose that *Peter* had 3750 Lewidors of  $37\frac{1}{2}$  to the Mark, and that they were just weight: They weighed consequently 100 Marks, which at the rate of 492 Livres each, according to the 3d article of the edict of *January*, make 49200 Livres, which *Peter* will receive by carrying his 3750 Lewidors to the Mint: This sum will be paid to him in 2460 new Lewidors, which at 20 Livres each, make in like manner 49200 Livres; and supposing them to be also just weight, at 30 to the Mark, they weigh 82 Marks; 'tis therefore plain that by the weight, *Peter* really loses 18 Marks on 100; the Mark of these new Lewidors being worth 600 Livres, that of the old ones finer by  $\frac{2}{3}$  per Mark ought to be worth more; but supposing it at the same rate, *Peter* will lose 10800 Livres, which make  $21\frac{2}{3}$  *per cent.* that is near 22 *per cent.*

If *Peter* transports his 3750 Lewidors of 12*l.* making 45000 Livres, the par of those old pieces being  $86\frac{4}{100}$  Bank-Money, he will receive there a sum of  $32418\frac{1}{4}$  florins Bank-Money, which returned upon *Paris* on the foot of the par in new Specie, which was  $62\frac{1}{2}$ , would have produced there, 62244 Livres. *Peter* would have received at the Mint only 49200 Livres, the difference would have been 13044 Livres, which make  $26\frac{1}{100}$  per cent. to the profit of *Peter*: But of this profit, which properly speaking is not one, since it is what *Peter* ought really to have had, the Foreigner has some part; for which reason the return of the  $32418\frac{1}{4}$  Florins is made according to the course of exchange of *Amsterdam* upon *Paris*, which was on the 23d of *February* at 71, according to which *Peter* receives at *Paris* 54792 $\frac{1}{4}$  Livres: This is 5592 $\frac{1}{4}$  Livres more than he would have received at the Mint, or  $11\frac{3}{100}$  per cent. Thus the foreigner gains 5207 $\frac{3}{4}$  Livres, or

### Calculation for the Return.

$$\begin{aligned} 3\text{ l.} &= 86 \text{ gros} \\ 40\text{ g.} &= 1 \text{ fl.} \\ x \text{ fl.} &= 45000 \text{ l.} \end{aligned}$$

$$\begin{array}{r} 20 \qquad 1729 \\ \qquad 150 \\ \qquad 75 \end{array}$$

$$\begin{aligned} 4x &= 129675 \\ x &= 32418\frac{3}{4} \end{aligned}$$

### Return at *Paris*.

$$\begin{aligned} 1 \text{ fl.} &= 40 \text{ gr.} \\ 62\frac{1}{2} \text{ g.} &= 3 \text{ L.} \\ x \text{ l.} &= 32418\frac{3}{4} \text{ fl.} \end{aligned}$$

$$\begin{array}{r} 125 \qquad 2 \\ 4 \qquad 129675 \\ 2 \qquad 8 \\ 25 \qquad 4 \\ 5 \qquad 25935 \\ \qquad 5187 \end{array}$$

$$x = 62,244 \text{ l.}^*$$

\* The Author works this example after the manner of a former calculation in page 150. The operation is performed by multiplying, in the first case, 1729 by 75, the product 129675, he finds equal to 4x, and consequently  $x = 32418\frac{3}{4}$ . And in the second case 3, 4 and 5187 are multiplied into one another: And all the other terms on both sides of the equations are cancelled.

$10\frac{5}{100}$  per cent. upon the subject of *France*. This is a real loss to the State, and to the particular person: But is it not more eligible to lose two Pistoles than to lose four? The two that are saved appear to be a profit, though they are not one.

This fact therefore plainly shews us, that by proposing to gain too much upon the recoinage of our Money, or by other operations about it, we effectually exclude Specie and gold or silver Bullion from entering into the Kingdom; and the King, whom we propose to supply by this means, deprives his subjects of a plenty of those metals. His Majesty deprives himself of his duty of seigniorage, which being moderate, would yield him infinitely more than all those ruinous alterations of the Money, because a great deal more of it would enter into the Kingdom than there does: This is a certain fact.

In such a case as this, what course will the expert and provident trader take, when he expects a ship, for example, in which there are, according to the supposition, 2000 Marks of Gold? He examines what country in *Europe* gives most for this metal, and thither he sends his ship. Suppose it is in *Holland*, let us see what will be the consequence.

The Mark of fine Gold is always worth in *Holland*, according to the laws of the State, 355 and 356 Florins. Now, 2000 Marks of Gold, at 355 Florins each, are worth 710,000 Florins, which remitted to *Paris*, on the foot of the par,  $62\frac{1}{2}$  Gros for each of our Crowns of exchange of 3 Livres, new Specie,

will

B<sup>2</sup>

	Livres
<i>will produce there a sum of</i>	1,363,200
<i>If this trader had landed his ship in France, the 2000 Marks of Gold would have brought him 536 Livres 14 Sols 6 Deniers each, according to the edict of January, which would have given him,</i>	1,073,450
<hr/>	
<i>The difference therefore to the profit of the trader is,</i>	289,750
<i>or <math>26\frac{9}{10}\%</math> per cent.</i>	
<i>And if the return upon Paris is made according to the course of exchange 71, the trader will there receive,</i>	1,200,000
<i>In the Mint he would only have received</i>	1,073,450
<hr/>	
<i>The difference to the profit of the trader is still</i>	126,550
<i>or <math>11\frac{7}{10}\%</math> per cent.</i>	

Is not this difference of such consideration, as to excite his attention? Had there been only an odds of 2 or 3 *per cent.* between the price that metal gives in France, and in neighbouring Nations, the trader would have carried his Bullion thither, and the King, at 3 *per cent.* would have got by it more than 40 thousand Livres for his duty of seigniorage; whereas in that other way his Majesty gets not one farthing of profit.

This bait, as we see, is powerful enough to excite the covetous desires of our more discerning neighbours, and to induce our own traders who understand exchange, and who correspond with the *Dutch* and other foreigners, to send over to them not only the old Specie and gold and silver Bullion which they have in their hands, but also all those that they can draw together, in order to gain upon it this considerable difference.

rence. If our own trader does it not, the *Jews* and foreigners do it; and this is yet worse for the State.

The government was very sensible, that the export of our old Specie was inevitable, and that there was a necessity of sacrificing one part of the profit that was made by this new coinage, not only to support the exchange, but also to make it rise again, in order to hinder the export of our old Specie. For this effect the Chevalier *Bernard* had Money remitted to him to be sent over into foreign countries, and to furnish letters of exchange, at the King's expence, to all those who should demand them, but for as great sums as possible; that is to say, that he should not furnish letters upon *Holland* but for 8, 10, 12, 15, 20, or 30 thousand Florins, in order to make it more difficult to negociate them, and that none might be able to take them but they who had really need for Money in foreign countries; thereby excluding all those petty traders who might have taken those letters for smaller sums, with a view to make profit by negotiating them in the market.

The Chevalier *Bernard*, by the help of this Money, hinder'd the exchange from falling below the par of  $62\frac{1}{2}$  Bank-Money upon *Amsterdam*, in new Specie, and  $35\frac{1}{2}$  upon *London*, where it might have fallen, had it not been for this expedient. He kept it up during the months of *March* and *April*, at  $73\frac{4}{8}$ ,  $\frac{6}{8}$ , and  $\frac{7}{8}$ , 74 and  $75\frac{3}{4}$ . He made it even rise again during the first 25 days of *May* to  $75\frac{1}{2}$  and  $\frac{3}{4}$ . This was from  $12\frac{9}{100}$  to  $10\frac{7}{100}$  Gros below the par  $86\frac{4}{100}$  of Crowns of 10 to the Mark, or from  $14\frac{2}{100}$  to  $12\frac{3}{100}$  per cent. to burlofs. It was from  $9\frac{8}{100}$  to  $7\frac{5}{100}$  Gros below  $83\frac{3}{100}$  the par of the Crowns of  $10\frac{3}{4}$  to the Mark, or from  $11\frac{7}{100}$  to  $9\frac{8}{100}$  per cent. against us. And likewise between  $2\frac{7}{100}$  and  $\frac{5}{100}$  Gros below the par of the same old Crowns, taken in the Mints at 34 Livres the Mark, which was  $76\frac{2}{100}$  Bank-Money, consequently this was between  $3\frac{6}{100}$  and  $\frac{7}{100}$  per cent. in our prejudice.

Here

Q 3

Here are three different *pars*, whereof the mean is  $82\frac{2}{100}$  Bank-Money, and three different disadvantages, whereof the medium is from  $10\frac{1}{100}$  to  $7\frac{3}{100}$  *per cent.* which we may form our computation upon.

This exchange  $73\frac{1}{2}$ ,  $74$  and  $75\frac{1}{2}$  and  $75\frac{1}{2}$  and  $\frac{3}{4}$  Gros, was above the par  $62\frac{1}{2}$  of the new Crown-piece of exchange. But we have seen that it was below three *pars* of the old Species, which were still circulating in commerce, and upon which the exchange was regulated: This is an invincible proof, that notwithstanding M. Bernard's expedient, they passed into foreign countries; for the effect of low exchange is to produce an export of the Specie; thus we may say, that this expedient did not bring up the exchange to  $82\frac{2}{100}$  Bank-Money, being the par at a medium; nay, nor to the least  $76\frac{2}{100}$ , and far less make it rise again to  $80\frac{1}{2}$ , where it was on *February* 11. Therefore all that he did hinder'd not the unlawful trader in Money to take advantage of the manifest profit he found in transporting our old Specie and gold and silver Bullion into foreign countries. It only diminish'd that profit, by keeping up the exchange beyond what it would have naturally been.

Upon *London* the exchange on the 13th of *March* was at  $42\frac{1}{2}$ , the 3d and 9th of *April* at  $41\frac{3}{4}$ , the 16th at 43. And from the 1st to the 24th of *May* it was between  $42\frac{1}{2}$  and 43. This was from 7 to  $5\frac{3}{4}$  pence Sterling below the par  $48\frac{1}{4}$  of Crowns of 10 to the Mark, or from  $14\frac{3}{100}$  to  $11\frac{7}{100}$  *per cent.* in our prejudice. It was from  $5\frac{1}{4}$  to 4 pence Sterling below the par 47 of Crowns of  $10\frac{1}{4}$  to the Mark, or from  $11\frac{1}{100}$  to  $8\frac{1}{100}$  *per cent.* against us; and again  $1\frac{1}{4}$  penny Sterling, or 3 *p. r. cent.* below the par 43 of the same old Crowns, which were taken in the Mint at the rate of 34 Livres the Mark.

Here are also 3 different *pars*, whereof the mean is  $46\frac{1}{4}$ , and three different disadvantages, whereof the mean between the two extremes, is from  $9\frac{1}{2}$  to  $7\frac{3}{100}$  *per cent.* which we may reckon upon.

The

The expedient of the Chevalier *Bernard* was therefore insufficient, since in effect it still left a profit of upwards of 6 per cent. to the unlawful traders in Money, in exporting our old Specie and Bullion into *Holland*, rather than carrying them to the Mint: Here is the proof of it.

*Peter's* 3750 *Lewidors* yield him there 32418 $\frac{3}{4}$  *Florins*, as we have seen above, which returned upon *Paris* at the common course of this exchange, which is about 74,

	<i>Livres.</i>
Peter will have for them _____	5257 $\frac{1}{2}$
He would have received in the Mint only the } sum of	49200
Therefore he gains still _____	337 $\frac{1}{2}$

Which make 6 $\frac{85}{100}$  per cent. This profit is still too considerable not to induce the unlawful trader in Money to take this course: Thus the expedient of *M. Bernard* was insufficient to prevent this disorder all together. In order to make it effectual the par of exchange ought to have been raised to the par of those same old Crowns which was 86 $\frac{45}{100}$  83 $\frac{32}{100}$  and 76 $\frac{29}{100}$ . In that case as there would have been no profit but rather loss to be got by exporting our Specie and Bullion into foreign countries, they would have remained with ourselves. But this expedient would perhaps have swallowed up all the profit which his Majesty proposed to make by this general recoinage; which shews that it would have been better not to have done it, but to have had recourse to some other means for finding his Majesty the necessary supplies.

The facts which we have been speaking of, have no need of authorities: I am, however, tempted to quote here the words of *Bouteroue*, in the 9th page of his examinations upon *Monies*. The Author of the *Political Essay upon Commerce* cites him, so that he cannot refuse his authority.

Here are his words: *All the man-  
ners*  
Q. 4.

ners of debasing the Coin are unjust, if they tend only to the Prince's particular profit, or if they have not the publick interest for their foundation, or a very pressing necessity, when the State can be supported by this remedy alone, which is never to be tried but in cases of extremity, and after all others have been essayed, because they draw very dangerous consequences after them; and their ruinous effects are, for the most part, irreparable; such as the exportation and recoinage of the good Specie, the advancing the prices of all things, the impoverishing of particular persons, the impairing of revenues which are payed in debased Money, and sometimes the cessation of trade.

*The third rise of the Specie to one fifth.*

No sooner had the new Specie succeeded to the old, and put a stop to its currency, than the disorder brought about by the edict of January 1726. was sensibly felt. And it was with a view to remedy it, that the numerical value of those Species was raised a fifth, by the arret of council dated the 26th of May following, register'd and publish'd the 27th, in which are these words, *That by the change of circumstances, the numerical value of 41 Livres 10 Sols, at which the Species were fixed by the said edict, was not sufficient for circulation, which occasion'd a scarcity of Money equally prejudicial to all the King's subjects and to trade; insomuch, that in order to re-establish all things in their just proportion, it was necessary to raise the Species that were current at present: and with regard to the old Species and gold and silver Bullion, whereas his Majesty, by means of this rise, will be able to derive the same supplies as he had propos'd from the Mint, upon reducing his profit in favour of the publick, even beyond the proportion of the rise, he ordains, that from the day of publishing the said arret, the Lewidors coined by virtue of the edict of January last, shall be current for 24 Livres, and the Crowns for 6 Livres; the Mark of old Lewidors being fixed at 637 Livres 10 Sols, that of old Crowns at 44 Livres; the Mark of fine Gold at 695 Livres*



*Livres 9 Sols 1 Denier, and that of fine Silver at 48 Livres.*

This arret raising the numerical value of the Specie one fifth, takes down the Crown of exchange and its par one sixth.

Before this arret, the Crown of exchange was  $\frac{3}{4}$  of the Crown of  $8\frac{3}{16}$  to the Mark, it passed for 5 Livres or 100 Sols. This arret makes it go for 6 Livres or 120 Sols, or two Crowns of exchange: The Crown of exchange is therefore no more than the half of the Crown of  $8\frac{3}{16}$  to the Mark. It was  $\frac{3}{4}$  or  $\frac{1}{16}$  of it in value, and now passes only for 5: It has therefore lost  $\frac{1}{8}$  of its value.

In like manner the par of this Crown of exchange was  $62\frac{4}{100}$  Gros upon *Holland*, it will now be only  $51\frac{8}{100}$  or 52; for it is also fallen one sixth, or  $10\frac{6}{100}$ . The exchange must needs have followed this proportion, if other causes had not hinder'd it. However upon publishing this arret, it fell at once on the 31st of *May* from  $75\frac{3}{4}$  to  $59\frac{1}{4}$ ; that is to say,  $16\frac{1}{4}$ . Had it followed the proportion of the rise, it ought to have fallen only  $12\frac{5}{8}$ : It fell  $16\frac{1}{4}$ ; here we have therefore already a real loss to *France* of  $3\frac{3}{8}$  Gros upon each of our Crowns of exchange; that is,  $6\frac{9}{100}$  per cent.

It is plain, that this loss can be owing to nothing but the raising of the Coin; thus it hurts our trade  $6\frac{9}{100}$  per cent. A prodigious effect! which, the more *M. Bernard* continued to furnish letters, the more did it defeat their success.

Thus we see the raising the coin was too great an evil to be remedied by this expedient.

It had been still much worse, if this arret, upon raising the new Specie 20 per cent. had not raised the old 30, and thereby brought the proportion of their value within 10 per cent. of one another: It fixes the Mark of those old pieces at 44 Livres, which had only been at 34; but it does not raise them enough, for it still leaves between their rate 44, and that of the new,

## 234 POLITICAL REFLECTIONS

new 49 Livres 16 Sols, a difference of  $13\frac{2}{11}$  per cent. which is still too considerable not to occasion disorder.

At this rate of 44 Livres the Mark, the par of our Crown of exchange upon *Holland* is between  $58\frac{2}{10}$  and 59 Gros, and upon *London*  $33\frac{2}{10}$  pence Sterling.

On the 31st of *May* the exchange fell from  $75\frac{3}{4}$  to  $59\frac{1}{2}$ . This was  $\frac{1}{4}$  Gros above par, or  $\frac{6}{100}$  per cent. to our advantage.

Upon *London* it was at  $33\frac{1}{2}$  pence Sterling; this was  $\frac{2}{100}$  pence above par, or  $\frac{2}{100}$  per cent. in our favour. From the 1st to the 18th of *June*, the exchange upon *Amsterdam* fluctuated from  $57\frac{1}{2}$  to 57 Gros; this was between  $1\frac{4}{100}$  and  $1\frac{2}{100}$  Gros below the par  $58\frac{2}{100}$  Bank-Money, or  $2\frac{4}{100}$  per cent. in our prejudice.

On the 17th of *July* the exchange upon *London* was at 33 pence Sterling; this was  $\frac{2}{100}$  pence below the par, and  $\frac{6}{100}$  per cent. against us.

Our disadvantage with *Holland* was greater than with *England*; which shews us, that our Specie was still transported into *Holland*, and that because there was still too great a difference between its value and that of the new. The same happen'd in 1709, 1710, 1711, 1712, 1716, our Money being heavy before the edict of *August* 1723; and now it happens at present, when our Monies are a great deal more debased, or their value more raised above standard and weight, these inconveniences have therefore happen'd, both when the Specie has been lower'd and when it has been raised; which proves to us, that there is no more reason for favouring the Debtor by raising the Coin, than there is for favouring the Creditor by lowering it, since both cases are liable to the same inconveniences.

In this situation, if *Peter* should transport his 3750 *Lewidors* into *Holland*, and their product  $32418\frac{3}{4}$  *Florins* be returned to him to *Paris*, at the course of exchange 57, he will receive upon them, in raised Specie, 68250 Livres; and in the Mints his 100 Marks of old *Lewis* would have brought him 637 Livres 10 Sols a-piece, which would have given him a sum of 63750 Livres.

Livres. He therefore still gains 4500 Livres, or 7 *per cent.* without reckoning the risks of transportation against the laws, which may be estimated at 3 *per cent.* in favour of him who undertakes it.

It is therefore to this difference between the old Coin and the new that we must ascribe the scarcity of Money, and not at all to the insufficiency of the numerical value of 41 Livres 10 Sols, at which the Species were fixed by the edict of *January*, as it is in the arret of *May 26*.

The failure of circulation was owing to nothing but, to the prodigious loss which persons sustained by carrying their old Species to the Mints; and, as many People chose rather to keep them up than suffer that vast loss, this want of trust marr'd circulation, and consequently trade. An unhappy case, which will always be the fatal consequence of these revolutions of Money.

Every expedient of raising, or otherwise debasing the Coin, is in itself unjust: That which is in consequence of the arret of *May 26*, is to make the *Lewidor* of 30 to the Mark pass for 24 Livres instead of 20. And the Crowns of  $8\frac{3}{4}$  to the Mark for 6 Livres instead of 5; or, which is the same thing, the piece of 5 Sols for 6 Sols; that is to say, the piece which passed for 5 Sols before the Coin was raised, passes now for 6 Sols. So that the value of the Sol is consequently reduced to  $\frac{5}{6}$  of a Sol, or to 10 Deniers; and in fine, every Creditor must content himself with five sixths of what is due to him. Here is the Debtor favour'd according to the maxim laid down by the Author of the *Political Essay upon Commerce*, in the 174th page: But besides the disorders which we have seen following from this expedient, is there any equity here?

Had one borrowed ten measures of wine, consisting of 120 pots apiece, and by an arret the measure had been reduced to 100 pots, he would have paid them by giving ten of these new measures, the Creditor would have

have received 'tis true the same number of measures, but he falls a sixth part short of the same quantity of wine, since he would receive only 1000 pots instead of 1200, which he had lent; thus he receives only  $\frac{5}{6}$  of what was due to him. The case is the same as to Money. 'Tis not enough to receive the same number of Livres or Sols, which are nothing but so many imaginary names; these Livres or Sols must be exactly the same, in order to have back the same quantity of Gold and Silver which was lent in weight and standard, otherwise the Creditor loses so much of his means.

Such however is the effect of the arret for raising the Money which is now in question, and such will be the effects of all those which have the same end. And yet this expedient favours the Debtor, according to the maxim laid down by our Author in the 174th page of his book.

It has been shewn above that it is contrary to the Law of nature and nations, and to the edicts of *Philip le Bel*, of *Philip de Valois*, of King *John*, &c. on which however he founds his maxim. To convince his reader he refers him to *Bouteroue's* treatise of Coins, that he may see those edicts there; but *Bouteroue* speaks only of the Coins of our Kings of the first race; his disquisitions end with the year 751: 'Tis true in his observations, page 152, he speaks of the edicts of *Philip le Bel*, dated June 1317, and of that of *Philip de Valois* of July 21, 1343: But he is there considering only the transportation of Money which is not now in debate: Thus the Author might have spared this quotation; for there is nothing in *Bouteroue* to favour his maxim. He is even opposite to it, as we have seen above in this article.

It will no doubt be granted, that every proprietor of Lands, rents, houses, &c. is in the case of the Creditor, and that the King himself is in the same situation. He is creditor to all his subjects for his whole revenue; thus he too will receive only the five sixths: His interests therefore become the same with those of the private person. Nay, his Majesty is in a less favourable  
case,

case, in regard that he lays out expences in foreign countries, which he can only clear by weight and standard; and as his incomes are less than they were before raising the coin, he certainly loses thereby at the long run a great deal more than he can ever gain, as hath been proved before in Chapter I. article 7, first, second and third Application: And again, Chap. III. article 4. to the end of the article.

'Tis true the King as well as the private man may pay those whom he owes in *France* upon the foot of the advanced rate of the Coin, and thereby satisfy obligations contracted upon the publick faith; but as for future engagements, regard will be had to the value of Money: commodities will rise in their price, tho' perhaps not at first in proportion to Money: Thus the advantage to be reap'd from so extraordinary a maxim, appears to us infinitely below the damage which his Majesty himself and the trade of the Kingdom suffer thereby. *Thomas Mun, an English Author, says in his Treatise of Commerce, Chap. VIII. p. 89. That if we change the rate of our Monies the price of our lands and goods must also rise or fall in proportion: And though at the beginning we may not be sensible of the harm which it does us, yet the sequel makes us see it but too well to our expence.*

'Tis certain that the raising of our Coins in consequence of the arret of May 26, 1726, did very considerable mischief to our trade. The arret of the Council of State in June 15, following, grants that it made Money be hoarded up, and trade decay. *In order to give new life to it by a more plentiful circulation of Specie, there seem'd no method more suitable to accomplish it, than to bring the rate of the Specie, cried down, near to the fix'd value of the new, by quitting the most considerable part of the profit of coinage.* These are the terms of this arret, whereby the rate of fine Gold is fixed at 740 Livres 9 Sols 1 Denier; and that of fine Silver at 51 Livres 3 Sols 3 Deniers; that of the old Lewis at 678 Livres 15 Sols, and that of the old Crown at 46 Livres 18 Sols. This arret was register'd and published June 18, 1726.

Before

Before this arret, the difference between the old and the new Species was  $14\frac{1}{2}$  per cent. as to the proportion of old Gold to new, and  $13\frac{1}{100}$  per cent. between the old Silver and the new. This arret in effect brings the old near to that of the new, since it leaves between them only a difference of  $6\frac{7}{100}$  per cent. between the old Gold and the new, and of 7 per cent. between the old Silver and the new.

By fixing the mark of the old Crowns at 46 Livres 18 Sols, it reduces the par of exchange to  $55\frac{3}{100}$  Gros Bank-Money upon *Holland*, and  $31\frac{2}{100}$  pence sterling upon *London*.

This arret leaves to persons who might still have old Specie and Bullion, only a profit of  $\frac{3}{100}$  per cent. upon transporting them to *Holland*, instead of carrying them to the Mints. This profit is not sufficient to make people run the risks of transportation: But this arret coming too late did not bring back the Specie that had been already carried abroad, and which will always infallibly be exported, every time that too great a disproportion is left between the rate of the old Specie and that of the new.

Our commerce was in very great need of this expedient; for in 1726 it was in a deplorable State; nor was it recovered at the beginning of 1727, if we will believe the memorial printed by a certain person in 1733 for his own justification \*. Here are his words. *Money was no longer in circulation, credit was ruined, letters of exchange, and bills from the best traders fell 5 per cent. in the market: People of business in the greatest credit could get no Money to borrow under 15 per cent. The Usurer exacted 2 per cent. a month upon good securities; the shares of the India Company sold only for 670 Livres, and the contracts upon the city fell 80 per cent. The want of credit which prevailed at that time, proceeded also from the bankruptcies which happened both in France and in foreign countries,*

\* Davezies.

and this want of credit impaired the values of real and personal estates, drained the usual resources, cramp'd trade, diminished consumption, and consequently the whole revenues of the State.

These are facts whereof none are ignorant, and whose causes are only to be resolved into the changes of the Coin, and the great difference that was left at first between the value of the old and that of the new Specie, because that difference of value which made the loss of the publick, occasioned the exportation of those old Species, which cramped circulation to such a degree that Money being generally kept up, trade sunk considerably. Whoever doubts of these facts will find the proof thereof in the arret of *June 15*, already quoted: There he will see that all the mischief arose from this difference of value. This arret was to remedy the evil; but this remedy came too late, the mischief was already done; and when trust is once lost, 'tis not easily recovered.

After such woful experience, I would ask whether these rises or debasements of Money are so advantageous to us as some people think, and whether on the contrary it does not follow from what is represented above, and from the effects which the rises and falls of Specie produce upon our trade, that of all the possible debasements of our Coin the raising of it is the most dangerous. To be convinced of this fact, see what *Le Blanc* says in his *Prolegomena*, Chap. IV. pages 26 and 27. He shews plainly how prejudicial those debasements of Coin are to a State, the fact which he speaks of happened under the reign of *Philip le Bel*.

On the same day, *June 18*, 1726, the exchange between *Paris* and *Amsterdam* was at 57 Gros: This was  $1\frac{9}{100}$  below par, or  $3\frac{4}{100}$  per cent. in our prejudice.

That upon *London* was at 33 pence Sterling, this was  $1\frac{2}{100}$  below par, or  $\frac{6}{100}$  per cent. in our prejudice.

Through-

Throughout the rest of the month, and even of the whole year, the exchange upon *Holland* fluctuated between 59 and  $58\frac{6}{7}$ ,  $4\frac{1}{2}$ ,  $\frac{3}{4}$ ,  $\frac{2}{3}$ , and  $\frac{1}{2}$ , and 58 Gros; this was between  $3\frac{8}{100}$  and  $2\frac{6}{100}$  Gros above the par  $55\frac{2}{100}$  Gros Bank-Money, or between  $6\frac{6}{100}$  and  $4\frac{3}{100}$  *per cent.* to the advantage of our trade.

Upon *London*, the exchange at the same time, was from  $33\frac{1}{4}$  to 33 pence Sterling; this was above the par  $31\frac{2}{100}$  from  $2\frac{4}{100}$  to  $1\frac{8}{100}$  pence, making  $7\frac{7}{100}$  and  $5\frac{6}{100}$  *per cent.* in our favour.

In new Specie the par upon *Holland* was  $51\frac{8}{100}$  Gros Bank-Money; consequently the exchange was between  $6\frac{1}{100}$  and  $7\frac{1}{100}$  Gros above par, or  $13\frac{7}{100}$  and  $11\frac{7}{100}$  *per cent.* to our advantage.

Upon *London* the par in new Specie is  $29\frac{3}{100}$  pence Sterling; the exchange was therefore above it from  $4\frac{2}{100}$  to  $3\frac{6}{100}$  pence, which made  $14\frac{1}{100}$  and  $12\frac{9}{100}$  *per cent.* to our profit.

These things shew us the excellent effect which this arret of *June 15* produced, by proportioning the value of the old Specie near to that of the new. It made us recover the loss which we sustain'd of between  $2\frac{4}{100}$  and  $3\frac{4}{100}$  *per cent.* with *Holland*, and also  $\frac{6}{100}$  *per cent.* with *England*, and a large advantage besides as we see with those two nations, which advantage is with *Holland* in old Specie from  $6\frac{6}{100}$  to  $4\frac{3}{100}$  *per cent.* and with *England* from  $7\frac{7}{100}$  to  $5\frac{6}{100}$  *per cent.* which consequently makes a difference in our favour of between  $9\frac{1}{4}$  and  $8\frac{1}{4}$  *per cent.* with *Holland*, and between  $8\frac{4}{100}$  and  $6\frac{4}{100}$  *per cent.* with *England*. This difference is much more considerable in new Specie.

This vast advantage which the course of exchange sets before us will no doubt surprise the Author of *the Political Essay upon Commerce*, and I make no question but he will even alledge that this effect fortifies his scheme, and that we are labouring for him, because he will ascribe it to the raising of the Specie, whose numerical values are in effect too high, since the Mark of the old is at 46 Livres 18 Sols, and that of the new at 49 Livres



Livres 16 Sols; but the answer I would make to him, and which I am even able to prove, is, that that advantage is owing to nothing but the bringing the rate of the old Specie near to that of the new; in consequence of the arret of *June 15*, and to the confident persuasion people had that for a long time, there would be no changes in our Coin: If he doubts of this truth, let him take the trouble to review what has been said above in a parallel circumstance at the time of the King's declaration of *October 24, 1711*, which as well as that arret of *June 15*, raising the value of the old pieces from 32 Livres 10 Sols it was at, to 37 Livres 8 Sols the Mark, to bring it near to that of the new Specie, which was at 40 Livres, put us at once upon an advantage with *Holland* of  $3\frac{3}{10}\%$  and  $2\frac{2}{10}\%$  per cent. Before this declaration however we were under a disadvantage with that nation from  $3\frac{4}{10}\%$  to 10 per cent. thus the difference was in our favour from  $6\frac{7}{10}\%$  to  $12\frac{2}{10}\%$  per cent. That declaration likewise put us upon an advantage of more than 7 per cent. with *England*, and near 16 per cent. in new Specie.

The old Specie however was at that time  $20\frac{1}{3}\%$  per cent. lower rated or weightier than the old Specie at present, and the new Specie of that time was likewise weightier by  $19\frac{1}{3}\%$  per cent. than the new Specie at present. The difference which that declaration left between the old pieces rated at 37 Livres 8 Sols, and that of the new ones rated at 40, was 52 Sols. And that which is left by that arret, *June 15*, between the value of the old ones of 46 Livres 18 Sols, and that of the new of 49 Livres 16 Sols, is 58 Sols: There is therefore only 6 Sols per Mark of difference between them. Whence 'tis natural to conclude, that if from a Specie that was lowered we have had experience of an advantage still greater than we perceive at this day from a Specie that is raised more than 20 per cent. this advantageous effect cannot be justly attributed to the raising of the Specie. The effect would have been the same had the new pieces been lowered, in order to bring their rate near to that

that of the old; of this we have seen a proof in our reflections upon the edict of *August* 1723: Whence it follows, that whether the Species be raised, or whether they be lowered, our trade still recovers so soon as the disproportion is taken away between them and their alterations; which still demonstrates that there is no more reason for raising the numerical value of Money than for lowering it, that is, for favouring the Debtor more than the Creditor.

### A N N O 1727.

During the first 6 months of 1727 the exchange upon *Holland* was always between  $58\frac{1}{4}$ ,  $\frac{2}{4}$  and  $\frac{3}{4}$  and  $57\frac{1}{4}$  Gros; this was from  $3\frac{1}{100}$  to  $2\frac{4}{100}$  Gros above the par of the old Specie; or from  $5\frac{1}{100}$  to  $4\frac{3}{100}$  per cent. to our advantage: And in new Specie it was from  $6\frac{4}{100}$  to  $5\frac{2}{100}$  Gros above par, or from  $12\frac{5}{100}$  to  $11\frac{1}{100}$  per cent. in our favour.

Upon *London* the exchange was constantly from  $33\frac{1}{4}$  to  $33\frac{1}{4}$  pence Sterling; this was  $2\frac{1}{100}$  and  $2\frac{1}{100}$  pence above the par  $31\frac{8}{100}$  of old Specie, or from  $6\frac{1}{100}$  to  $6\frac{2}{100}$  per cent. for us, and from  $3\frac{8}{100}$  to 4 pence above the par  $29\frac{1}{100}$  in new Specie, or from  $13\frac{1}{4}$  to  $13\frac{1}{4}$  per cent. to our advantage.

During the 6 last months the exchange upon *Holland* fluctuated between  $57\frac{1}{4}$  and  $56\frac{1}{4}$  Gros; this was from  $2\frac{4}{100}$  to  $1\frac{5}{100}$  Gros above the par  $55\frac{1}{100}$  of old Specie, or from  $4\frac{1}{100}$  to  $2\frac{4}{100}$  per cent. in our favour. And in new Specie it was from  $5\frac{8}{100}$  to 5 Gros above the par  $51\frac{8}{100}$  Bank-Money, or from  $11\frac{1}{100}$  to  $9\frac{6}{100}$  per cent. to our advantage.

Upon *London* it was still from  $33\frac{1}{4}$  to  $33\frac{1}{4}$ , as in the six first months of this year. Thus the advantage is exactly the same\*.

From the 15th of *June* 1726, to the end of the year 1734, our Monies have been fixed and uniform.

\* See the State of the course of exchange fronting page 242.

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During this whole period of time the exchange, and consequently the trade which we have carried on with *Holland* and *England* has always been advantageous to us: An evident proof that so soon as our Monies become uniform and settled, our trade regains the superiority over that of our neighbours. From the state of the course of exchange which we have now traced for eight years and an half, we see that from *June* 15, 1726, to the end of the year 1734, the exchange for each of those years taken at a medium, is upon *Holland*  $56\frac{1}{4}\%$  Gros: This is  $4\frac{6}{10}\%$  Gros above the par  $51\frac{8}{10}\%$  Gros Bank-Money, making  $8\frac{2}{10}\%$  per cent. to our profit. And upon *London* this exchange at a medium is  $32\frac{6}{10}\%$  pence sterling: This is  $3\frac{3}{10}\%$  pence above the par  $29\frac{3}{10}\%$  or  $11\frac{2}{10}\%$  per cent. in our favour.

We have already said, and we repeat it once more, that 'tis not the high valuation of our Money that occasions this continual advantage; for the same advantage happened in the years 1711 and 1712, the nine first months of 1713, and again in the month of *October* 1715; so soon as the eleven falls which happened to our Coin in 1714 and 1715 were passed, the last which was executed the first of *September* 1715, reduced the Mark of coined Silver to 28 Livres: This was a weighty Coin, and very weighty too in comparison of our present Coin, whereof the Mark comes to 49 Livres 16 Sols; and yet our advantage in trade would have continued in 1715, with that same heavy Money, as it continues here with the light Money; if the edict of *December* 1715, had not disordered and interrupted it by a coinage of new Specie, and by a reformation of old pieces, which raised the Mark to 40 Livres, where it had been only at 28. This rise of its numerical value, leaving between the rate of the unreformed, reformed, and the new, a difference of  $23\frac{1}{3}\%$  per cent. made us lose not only all the advantage we had upon those two nations; but it also threw us back into a considerable disadvantage, which continued so long as this difference subsisted between the rate of the one and the other,

other, and while it induced persons either to hoard up those pieces which were lowest rated, or to transport them into *Holland*.

There is no doubt but the same disadvantage would happen to us at this day from our over-rated and light Money, if the King would make an edict to the same purpose with that of *December 1715*: Thus the debasement or the high numerical value of our present Money by no means contributes to the advantage which we have enjoyed since *June 18, 1726*. This advantage is only owing to the near proportion there is between the value of the old Coin and that of the new, and to the settled state of our Money since that time; and as there are none of our neighbours but take a great deal more of our commodities, arts, and manufactures than we take of theirs, 'tis certain that whenever Money, which is the measure of our reciprocally exchanged goods, shall appear fixed and steady to traders, be it high or be it low, our trade will always gain the superiority over that of our neighbours. The only reason therefore why our neighbours get the better of us in trade, is, that we know not how to improve our own advantages, and make them turn to the best account. Money being the measure which regulates the value of exchanged goods, ought never to be altered any more than other measures.

In order to convince us of the advantage which we reap from the invariableness and uniformity of our Coin, let us for argument sake take the mean advantage between  $8\frac{2}{3}\%$  per cent. with *Holland*, and  $11\frac{2}{3}\%$  per cent. with *England*, which is  $10\frac{2}{3}\%$  per cent. and suppose *France* carries on every year a foreign trade to the value of 150 millions of Livres, (according to the Abbé of St. Peter in the place cited above, art. 4. of this Chapter), our annual profits arising from this trade will be 15 millions of Livres, and for the aforesaid eight years and a half 127,500,000 Livres which the nation gains from the stability of our Coin. If the King had made one or two changes in it, *France* would perhaps have  
lost

lost as much and possibly more; which would make a difference to the nation of 255 millions, if not more. The question then is, whether the one or two changes which the King might have made in this measure, could have procured him an advantage of such consideration, as to be a proper motive to his using an expedient so prejudicial to his subjects.

If the trade which *France* carries on with her neighbours exceeds 150 millions *per annum*, her profit will also exceed 15 millions; and if this trade is less, the profit will be so too: But whether it be higher or lower, this makes nothing against what we alledge, since 'tis still certain, that from the 18th of *June* 1726 to the present month of *February* 1736, we have always had the advantage of exchange with *Holland* and *England*, and consequently the trade which we have carried on with these two nations all that time, has been favourable, and produced a considerable profit to our nation, since we find it to be *communibus annis*  $8\frac{2}{100}$  *per cent.* with *Holland*, and  $11\frac{2}{100}$  *per cent.* with *England*.

Between these two advantages, we see there is a difference of  $2\frac{2}{100}$  *per cent.* which ought not to take place in exchange; but supposing our advantage upon *England* equal to that with *Holland*, our advantage, at a medium, would be 9 *per cent.* and our annual profit would be 13,500,000 Livres, which, for the eight years and a half, would make 114,750,000 Livres. It is likewise certain, that instead of this advantage, we should have fallen into a real loss, if, during that interval of time, any variation had happen'd to our Coin, whether in raising or lowering it. The example of this, which we quote above, art. 4. of this chapter, p. 187, and following, is an invincible proof of what we here alledge. How much then is the Nation obliged to the present Ministry? Such has been the wisdom of this administration, that, without altering the Coin, they have had recourse to less burdenson to the State for furnishing the necessary expences requisite to carry on the war, which is now happily terminated by a peace.

peace. Another Ministry of less discernment, or who kept not so attentive an eye upon the interests of the people, would have unhinged this measure of our reciprocal exchanges; but they who are now at the head of affairs, are fully sensible of the vast loss our trade, and consequently the Nation has sustained by such changes. And indeed the tenth, well regulated, would perhaps bring in more to the King in one or two years, than a general recoinage of our Money would yield him in several years\*; and this imposition of the tenth being but of a transient nature, would distress the people infinitely less, and be much more supportable to the Nation than one single coinage, which would have had no other end, than that of procuring supplies to his Majesty.

We have seen above†, that our ancestors were deeply sensible that those changes of the Money caused vast damage to them, since, in order to have a fixed Coin, they gave the King a certain duty every third year. *Le Blanc* informs us under *Lewis VII.* p. 168. *That there are several contracts between the Dukes of Normandy, Guienne, Burgundy, the Counts of Nevers, the Bishops of Meaux, of Cahors, of Montpellier and others, and their vassals not to alter nor debase the Coin. The same thing was done by the other Nations. Those of Aragon granted to their King James I. Anno 1236, a certain sum upon each family, payable every seven years, on condition he would not change the Coin.*

Anno 1303, the prelates of the realm offered to the King‡, a tenth of the annual revenue of all their benefices, on condition that for the future, neither he nor his successors would debase the Coin, &c.

\* In the stated account of the King's revenue in 1724 the produce of coinage is reckoned at 1300 thousand Livres *communibus annis*.

† Chap. I. art. 8.

‡ Father *Daniel's History of France*, Tom. III. p. 324, the Dutch edition in 4to.



It is true, the Author of the *Political Essay upon Commerce*, says in the 198th page, *That it is undoubtedly a thing advantageous to a State, not to touch the Coins when the taxes are sufficient for all publick charges, and can be raised with ease; nay, in case the numerical values were insufficient, representative Money would be preferable to raising the Species, if the genius and faith of the Nation gave it the same value.* In the 237th page, No. 3, he says the numerical value of Money ought never to be raised but when the King's debt is such, that the amount of the taxes is not sufficient to discharge it: And in the 270th page, he thus explains himself; *In fine, when the taxes can no longer be levied without military executions, the Legislator is thereby apprized that the numerical values of Money are not proportion'd to the taxes; in which case, he ought to raise the Coin in a manner most agreeable to the present genius of the Nation, because the success will then be more speedy and easy.*

Now, the method that is the easiest, the most speedy, and agreeable to the present genius of the Nation, is certainly not that of representative Money, to which it has a great aversion: The Author knows very well, that the Nation is more familiarized to the rises of the Coin, though they are in fact more burdensome to it than the representative Money would be; but does it therefore follow, that those expedients of raising the Coin are more equitable and advantageous to this Nation? Why then does the Author give his advice for them, every time the King's expence exceeds his revenue, or when the taxes are not easily collected?

We leave the reader to judge of the goodness of that advice, from the dismal effects of those rises of the Specie, which he has seen above. We only observe, that if it was necessary to raise the Coin every time that the taxes are not easily levied, this expedient must needs be followed very often, because the taxes are always levied with difficulty, while the oppressed poor are groaning under a weight, which, it were to be wished, might be made lighter to them, by propor-

tioning the tax to every one's ability; a thing which by no means seems impracticable. Then indeed *the poor will bless forever the Legislator, to whose vigilance their Relief is owing* \*.

Our Author says, in the 237th page, No. 3. *the tax and the numerical value of Money ought to rise together, according to this fundamental measure. And, No. 4. he says afterwards: Even then, in order to avoid the expences of coinage and disproportion between the old Silver or in Bullion, and the new Silver, the rise ought to be without a recoinage, and in favour of the people, whom this small gain will encourage; for they have not discernment enough to foresee that this expedient will enable them to pay the taxes with more ease.*

If the tax and the numerical value of Money rise together, as the Author would have it, what gain will the people have thereby? If Peter owes 20 Livres, and his Debt and Money rise together, a fifth, for example, in that case his 20 Livres will be worth 24: But then he will be owing 24 Livres instead of 20, consequently he gains not a farthing; nay, he is a loser, unless commodities rise in proportion to Money, because he will sell his commodities or his labour cheaper than he sold them before the Money was raised, and he will need more to pay his debts. Though Commodities should rise in proportion to Money, yet the increase of his expence will be so much clear loss to him, while his income does not increase; is this to procure him an easement in paying the tax?

To return where we digressed, we shall set before our readers the advantages and disadvantages of our trade, from the first day of February 1726, to the end of the year 1734.

We have seen above, at the end of the year 1725, that we had the advantage with England and Holland from  $1\frac{1}{100}$  to  $6\frac{3}{100}$ , and from  $1\frac{2}{100}$  to 8 per cent. that the report which was spread in the month of January

\* Political Essay, p. 271.



**D O N.**

**Disadvantages.**

The rise of the old Specie in *February* 1724  $\frac{4.0}{100}$  and 12  $\frac{76}{100}$   
 Rise of the new Specie 20 *per cent.* and } In *March, April* 1729  $\frac{5.0}{100}$  and 7  $\frac{71}{100}$   
 of the old 30 *per cent.* } The end of *May* :  $\frac{6.9}{100}$  and  $\frac{6.9}{100}$   
*cent.* } days of *June*

The rise of the old Specie by the arrest  
 to the end of the year

In new Specie during the same space of time

In the years 1727, 1728, 1729, 1730, 1  
 1733 and 1734, *communibus annis*, being  
*land*  $\frac{8.9}{100}$  *per cent.* and upon *London* like  
*per cent.* hence for these 8 years.

14  $\frac{5.9}{100}$  and 21  $\frac{21}{100}$   
 21  $\frac{2.3}{100}$

Advantages and disadvantages at a  
 That is for one year at a  $\frac{5.7}{100}$  *per cent.*

enting Page 249.

1726 of a general recoinage, and of a rise of our  
 coin, made us fall into a disadvantage from  $2\frac{1}{1000}$  to  
 $\frac{3}{1000}$ , and from  $2\frac{4}{1000}$  to  $2\frac{4}{1000}$ , which makes a diffe-  
 rence from  $3\frac{2}{1000}$  to  $10\frac{2}{1000}$ , and from  $4\frac{3}{1000}$  to  $10\frac{4}{1000}$   
*per cent.* in our prejudice, whereof the difference, at a  
 medium, is  $6\frac{7}{1000}$  with *Holland*, and  $7\frac{4}{1000}$  *per cent.* with  
*England*.

And here we see by this Table\*, which represents  
 our advantages and disadvantages, that in the month  
 of *February*, when the edict of *January* 1726 appeared,  
 whereby the general recoinage and rise was advertised,  
 our mean disadvantage increased, and was with *Holland*  
 from  $9\frac{5}{1000}$  to  $10\frac{4}{1000}$  *per cent.* and likewise with *Eng-*  
*land* from  $4\frac{1}{1000}$  to  $12\frac{7}{1000}$  *per cent.* And if to these  
 disadvantages we add the advantages which we had be-  
 fore with those two Nations at the end of the year  
 1725, we shall find that this edict occasion'd a real  
 loss to us from  $10\frac{7}{1000}$  to  $16\frac{7}{1000}$  *per cent.* with *Holland*,  
 whereof the medium between the highest and the lowest  
 is  $13\frac{7}{1000}$  *per cent.* And in like manner with *England*  
 from  $6\frac{2}{1000}$  to  $20\frac{7}{1000}$  *per cent.* whereof the loss, at a  
 medium, is  $13\frac{5}{1000}$  *per cent.*

These vast disadvantages continued to be much the  
 same in the months of *March*, *April*, and the first  
 25 days of *May*. They would even have increased by  
 the rise of 20 *per cent.* upon the new Specie, adver-  
 tised by the arret of council dated *May* 26, if this  
 same arret, upon raising the numerical value of the  
 new Specie 20 *per cent.* had not likewise raised that of  
 the old 30 *per cent.* and thereby brought their value  
 within 10 *per cent.* of one another; and if besides all  
 this, the Chevalier *Bernard* had not kept up the ex-  
 change by carrying on that expedient, in which he was  
 employed by the government. Notwithstanding all  
 this, we see from the date of that arret for raising the  
 Coin, our disadvantage with *Holland* was still from  
 $2\frac{4}{1000}$  to  $3\frac{4}{1000}$  *per cent.* till the publication of the arret

\* See the Table fronting to p. 249.

of June 15. 1726, which happen'd on the 18th ; which again raising the old Specie, in order to bring it nearer to the value of the new, came very opportunely for our trade ; it instantly got the ascendant over that of those two Nations, as we see by this table. We see likewise from that time to the present year 1736, we have continued to have the advantage in exchange, and consequently in trade, because since that time, there has been no alteration of our Coin : It has been for these ten years past, as it ought always to be, fixed and stable in its value. This is an invincible proof, that the King can get no advantage by altering it, but such as is ruinous to trade. It is therefore absolutely for our interest not to make such changes in our Coin, as make our trade lose all the advantages which it has from nature and the industry of our people, above that of our neighbours. In that case we shall have no reason to apply to ourselves the words of *Le Clerc* \*, who speaks to this effect. *We know there are Kingdoms where the Coin is raised and lowered only to bring in the Money of private persons into the treasury of the Prince, without giving themselves any trouble about the loss which the State thereby sustains, a thing very opposite to the maxims of England.* Let us therefore banish for ever this dangerous expedient from among our maxims ; let us retrieve our own prosperity, by conforming ourselves to good rules, as far as prudential measures, proper to be observed towards our foreign neighbours, will permit, by continuing the steadiness which the present government has so wisely preserved in the value of Money, and consequently the superiority of our trade, in order to regain to *France*, at least as much coined Specie, as is necessarily carried out of the Kingdom gratis, by means of foreign pensions, the duties granted by the concordate to the court of *Rome*, and the rents upon the *Hotel de Ville*, purchased by foreigners.

*France* is indebted to foreigners in two ways : The first debt arises from all the goods which we take from

\* *Bibliothèque choisie*, T. 6. p. 388.

abroad; the disbursements we make in the countries of our friends or enemies, the duties given to the *Holy See*, the rents owing by the *Hotel de Ville* to foreigners, are a second debt upon the Kingdom \*. 'Tis not therefore enough that we actually repay foreigners in goods of our own growth, a value simply equal to that of the productions and manufactures which they give us : It lies upon us to satisfy the value of the two debts. If the mere goods which the Kingdom produces, if the goods which the inhabitants of the Kingdom manufacture are not sufficient for that purpose, our coined Specie must go for the overplus. All foreign countries are judged with respect to us to be but one country : If we owe to one what another is owing to us, by the reciprocal traffick between those countries and us, the debt is compensated. In order to pay *Rome* in Money the value of what we cannot make it take in goods of our growth, we are at liberty to take from the *Dutch* their letters of exchange upon *Italy*, in payment of the natural goods which *Holland* has taken from us.

If now we will but rightly consider that *France* has no mines of her own to furnish her with Gold and Silver, and that what she gets from foreigners is never for nothing, we shall be able to judge what prodigious quantities they must take of the goods of our growth, arts and manufactures, since all that gold and silver Bullion which have been imported into the Kingdom in times favourable to our trade, have been

\* I shall explain myself otherwise : Let the first debt be supposed

L. 1000

And the second \_\_\_\_\_ 200

Both our debts will be \_\_\_\_\_ L. 1200

I say 'tis not enough actually to give foreigners in goods of our own growth a value equal to that of the bare productions and manufactures which they give us, and which form our first debt of 1000*l*. We must satisfy the value of both debts 1200, either by our commodities, arts and manufactures, or by our Specie.

given

given us by foreigners, only because they were not able to ballance accompts with us by returning us goods of their own growth and manufacture, equivalent to what they were owing us.

Let us then admire what the extent of our power would be, if the goods which are the natural growth of our country were sent abroad to their full value, and if this value were not put out of order, always to our prejudice, by our frequent variations of Money, which make the value of our goods fall short of those which our neighbours give us in exchange, and which are consequently over-rated to our great loss.

Our own interest invites us therefore to renounce those dangerous expedients for ever, that is, no more to alter our Coin, unless a recoinage is become indispensibly necessary, when the Specie is much worn through long using. In that case the recoinage ought to be carried on at the King's expences, and without putting the publick to any charges. Then no body will think of keeping up the old Specie, and far less of sending it out of the Kingdom, because there will be nothing to be gained by it. By this means we shall restore exchange to its former advantageous foot, we shall facilitate commerce, and the importation of gold and silver Bullion into the Kingdom.

This was the practice of our ancient Kings, when for reasons of State they had debased the Specie, and returned again to the good and legal Money: To this purpose we have an edict of *Philip le Bel*, dated May 1295, cited by *Beisard* \*, where that Prince delivers himself to this effect: *Having somewhat debased the Coin in weight and standard, and considering that he was chargeable in his conscience with the damage he had done to his subjects by that debasement, he obliges himself by an authentic charter to the people of his realm, that so soon as his affairs are over, he will restore the Coin to its former good*

\* *Treatise of Coin*, p. 67.



*order and value, at his own proper charges and expences, and will bear the loss and discount upon himself; and besides this obligation, Lady Jean, Queen of France and Navarre, burdens her revenues and patrimonial estates with the aforesaid conditions.*

We have also upon the same subject the edict of King *John*, given at *Paris* the 28th of *December* 1355. But without tracing so far back, *Lewis XIV.* furnishes us with an example which was too beneficial or advantageous to the State not to be imitated. That Prince by his declaration of *March* 28, 1679, ordered *the same weight and standard in coined Specie to be returned to those who carried to the Mints, either the Monies that were cried down, or Gold and Silver in Bullion.* *Le Blanc* reports this fact in his *Historical Treatise of Monies*, p. 298. and he says *experience shews that nothing was ever done in France more beneficial, to bring thither plenty of Gold and Silver.*

More States than one have thought fit to act in this manner. *England*, which is not the least attentive to her own interests, did the same under the reign of *William III.* in 1695; and the publick found very considerable benefit from it \*. In this manner, and never otherwise, ought we to meddle with the Coin; and then we shall find to our experience that a loss well timed is really a gain.

\* *History of England by Larrey*, in Fol. Tom. IV. p. 762 and 764. quoted above, Chap. I. art. 3.

## ARTICLE VII.

*Containing some causes of the variations of all things in their prices, and some occasional remarks upon commerce and navigation in general, and upon some impediments that stand in the way of their advancement.*

COMMERCE is the exchange of goods distributed by the bounty of nature in different places, and which mutual interest renders common to us.

All those goods are communicated to us by circulating from one place to another, until we have consumed them in satisfying the exigences of life. *Circulation* is therefore *the Essence of Commerce*, and *Consumption* is the end of it.

As a consequence of this unanimous consent to exchange the superfluous goods whereof men are possessed, for others which they want; and as an easy and expeditious mean of enabling every nation to acquire all sorts of goods according to the measures of their exigences, *Species of Gold and Silver* \* so precious in the eyes of Men, so proper to circulate without impairing their real value, have generally been adopted, to be the necessary instrument of exchanges, and to serve for the valuation of other goods. Those goods are prized every where, with regard to the value of the Coins which are current in the country; thus this measure cannot be altered without altering the exchange of all those goods.

But the value of all those goods is never fixed, because they don't retain the same degree of convenience with respect to us for any long time; we are only sensible of their usefulness, in so far as they excite our keen

\* The *Lydians* were the first who for the facility of their commerce, coined Money of Gold and Silver. They were likewise the first who kept Inns, and Houses of entertainment, and who engaged in merchandise. They invented games, that of the Draughts, the Ball, &c. and they built the city *Tyre*, with several others. *Herodot.* l. 1.

desires.

desires. Three things always regulate their current prices.

- I. Their present usefulness.
- II. The plenty or barrenness of years. And,
- III. The numerical value of Money.

If several sorts abound, our taste varies as to the choice ; our keenness languishes, consumption loses its fire ; all those neglected goods are given at a discount.

In like manner, the want of publick trust, which causes those commodities or Money to be kept up, cramps the circulation of both. If the circulation of goods is impaired, they rise in their price ; if that of the Specie be impaired, goods are under-rated, and turn to no account.

On the contrary, if a great deal of Specie circulates, if some real exigence, or the prevalence of modes and fashions make us perceive more sensibly the convenience of those goods, then their prices rise. Happy vicissitude ! The spring which moves all the wheels of commerce, since this flux and reflux in the prices of things, is an occasion of losing and gaining by turns ; the loss disheartens and creates uneasiness ; the gain quickens and exhilarates ; it allures men to labour, and revives circulation, which the languishing of desire or want of trust had impaired. Hence plenty pours her exuberant store where it appears necessary ; hence superfluous goods are wrought into such variety of shapes, and so artfully mingled together to answer the uses of life, that their nature is no longer to be known. Thus it is that *consumption* operates ; consequently, a fertile country gives being to commerce, and *circulation* gives it growth, which ought to make us sensible how dangerous it is to cramp or impair this circulation.

The culture of land and industry are therefore the sources and principles of all the riches which men enjoy,

joy, and consequently the two sole hinges upon which the revenues of the Crown turn.

The great affair then is, to give to natural goods all the uses that are proper to them, to make us sensible of their subserviency to our present exigences, and by accommodating them to the occasions of our neighbours, to raise a demand for them abroad, that we may procure a quick circulation, and consequently a proportionally higher price for those goods, that the foreigner who shall be behind-hand with us as to an equivalent, may be forced to pay the balance to us in gold and silver Specie. This is the true and only method not only to prevent exportation of our Money, but to bring in that of our neighbours, and to procure an advantageous vent for our commodities, and consequently to give the people an easement in paying the taxes, but by no means to raise the Coin, as the Author of *the Political Essay upon Commerce* would have it. It is impossible that ever this practice of raising the numerical value of Money can be of any advantage to us.

The fruitfulness of a State, and the industry of the people, are the two sources of trade. To the first we owe whatever the extent of the country and the different advantages of the soil can produce. To the second, the various uses to which the productions of nature are apply'd, whether they be of our own growth, or that of foreigners. When industry is exercised by the natives of the Kingdom upon the product of our own soil, the trade or commerce which flourishes thereby, is natural, and the most solid.

The solidity of trade consists in the diversity of goods which a fertile country produces; its improvement, in the extensive sphere which is given to it by the activity of the industrious native. Now activity is not wanting in the *French*; but the *French* are wanting to themselves: Their genius is fit for trade, but they apply it to false branches of trade, because the ways that lead to these appear in their eyes more direct, more compendious,

compendious, the harvests quicker, more inviting, and always tolerated.

Commerce, which seems not to be sufficiently regarded in *France*, is a thing however that claims not the least part of the Minister's attention ; and possibly, it would be principally considered by the government; if those who are at the head of affairs had time to think more upon it, and were not hinder'd by a multiplicity of other objects that seem to them more important, from considering of what consequence trade is to the publick. Among other Nations, it is the first reason of State. Sound reasoning and experience concur to confirm them in this principle.

Two different and opposite interests commonly meet together in trade. 1. The particular interest of the merchant, whose aim is always to gain, and to enrich himself, without considering the good of the publick, to which his trade may be prejudicial, though advantageous to himself in particular. 2. The general interest of trade and of the State. This last is real, and has no other object but the general good of the Nation. Now, it is worthy the application of the Ministry to enter into an examination of whatever is advantageous to the State, in order to give it encouragement and protection ; and, on the contrary, of what may be detrimental to the publick, that it may meet with no countenance nor toleration.

All that trade which consists in taking vast quantities of goods from our neighbours, of no other use but to gratify the luxurious taste of the Nation in rich moveables, cloaths and tables, ought to be consider'd as a method which our neighbours make use of to draw from us our Gold and Silver. A mean so much the more contrary to the good of the State, as it alone is capable of draining the Kingdom of its Specie. This is the trade which is ruinous to the publick ; a trade which may, however, be advantageous to the individual, who from these sort of wares raises a gain  
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which, far from deserving protection, ought by all means to be check'd and discourag'd.

On the contrary, whatever promotes the culture and improvement of land, whatever favours our good manufactures, whatever facilitates their vent and exportation ; and, in short, whatever can improve our fisheries and navigation, is worthy of protection, because these things are equally beneficial to the State and to particulars.

Trade in general, with regard to the good of the State, has only two views : *First*, to clear the State of the superfluous commodities it produces, and which the inhabitants manufacture beyond what is necessary for their own consumption, and to bring in or take from our foreign neighbours the things we want, and that are absolutely necessary. . And then the *second* is, to enrich the particular trader and the State at the same time.

We may know whether our trade be advantageous, or contrary to the good of the State, by computing exactly to what value, taking one year with another, we export goods of the growth and manufacture of the country ; and what is the amount, on the other hand, of the goods we yearly import from abroad. If, upon balancing these two sums, we find there are more goods of the growth and manufacture of the country exported every year, than what is imported from foreign countries ; in that case, we say, trade is beneficial and advantageous to the State\* ; because the sale which we

\* I know not if this method of finding out the situation of commerce is very certain ; for 'tis not enough that we supply our foreign neighbours with as many of our goods, arts and manufactures, as they give us of theirs, we ought besides to furnish them to the amount of our disbursements spent among them, of the duties granted by us to the Holy See, and of the rents that are due to them from the *Hôtel de Ville*. These three articles form a *second debt*, which the Kingdom owes foreigners. Now the method of balancing the export and import of goods cannot include this debt. 'Tis therefore insufficient to shew us exactly the state of commerce. This is what we shall illustrate more fully, after having explained what method is taken for understanding the balance of trade.

make of our goods, exceeding the value of those which we take from foreigners, this overplus is always paid us in Money. This is the only way we have to gain, or come by that metal; the extent of this trade is the most exact measure of our riches, and of the power of the State.

If, on the contrary, we take from foreigners more goods than we give them, we are indispensibly bound to pay that difference in Money; which we do, by sending over to them our Gold and Silver in Bullion when they arrive from the *Indies* in *Spain*, instead of being brought to *France*, or by sending them over our Specie, which impoverishes the State, and turns out of work all the artists, whom this transported Money would have employed.

The remedy for the last case is, to retrench the use of insignificant and superfluous wares, which are only subservient to sensuality and luxury. The *Roman* Empire become so rich and powerful, as it was by the spoils of so many Provinces, was lost by suffering strangers in time of peace to settle at *Rome*, and import thither the merchandize of their country; which becoming grateful to the *Romans*, promoted luxury, and at length drained the Empire and Citizens of their Money, which disabled them from quelling the seditions which were raised by those strangers incorporated with citizens; to favour the ambition of the more enterprising; and afterwards from repelling the *Barbarians*, who attack'd them, and made themselves masters of all *Italy*.

We have seen above, that the course of foreign exchanges, which is the *true barometer of commerce*, presents us with a second method of knowing the balance, or, the state of commerce, and that a great deal surer and more expeditious than the other of examining the import and export of goods. This second method puts the Legislator every day in a capacity to take measures for maintaining and continuing the advantage, if we have it, or for recovering it, if we have it not. That which results from the exa-

mination of the import and export of goods, has not this advantage. It cannot be known till a long time after ; and then the opportunity of acting is lost, the damage is already done.

Perhaps it will be said, that the course of foreign exchange shewing us only the balance between the goods that are imported and those that are exported, but not at all the particular sorts of goods, consequently we cannot know from thence what is proper to be done, not only in order to avoid our former losses, but also to procure us the advantage for the future. We answer, without any apprehension of being mistaken, that the course of exchange is not only the quickest and surest method of knowing the state of trade ; but also, that it is a sufficient method, because it comprehends the two debts which *France* is owing to foreigners. It shews us daily which of two Nations is indebted to the other, and consequently which of them has the advantage in commerce. If we have the disadvantage, it can only be owing to the causes explained above, with the principles of exchange, or to our extravagant fondness for the useless and superfluous goods of foreign markets, which are only subservient to luxury and sensuality. Those which we want, and that are of absolute necessity, can never equal those which foreigners take from us. This being the case, the first and principal cause of our disadvantage is, our too great consumption of those things that are of little use, and might easily be dispensed with. Thus so soon as the course of exchange shews us a disadvantage with any Nation, to retrench in part, or in whole, as the case requires, the use of goods which we take from it, and that are not absolutely necessary, is to retrieve the advantage in favour of our trade, and the only way of bringing in Gold and Silver into *France*.

By the course of foreign exchange, we may see every day of the year the state and situation of our trade with any Nation whatever ; whereas the examination



tion of goods exported and imported, which cannot be exactly calculated, for want of knowing the prices of the one and the other with that precision that is requisite, is but a very imperfect method of knowing the advantage or disadvantage of trade. And though those commodities, arts and manufactures, exported and imported, could even be calculated with all possible exactness, this method could only balance the goods which we take from abroad, and which make up our *first debt* to foreigners, with those which we give them, and would still leave in arrear a *second debt*, formed by our expences laid out in our friends or enemies country, by the duties made over to the Holy See, and by the rents due to foreigners upon the *Hotel de Ville*. These two sorts of debts comprehend whatever *France* owes to foreigners; it is not therefore enough that she gives to foreigners in goods of her own growth, arts and manufactures, a value equal to that which she receives from them, or to the first debt; she must, besides, answer the value of this second debt, either in goods of her own growth, or in Specie. Now, the method that is used for knowing the balance of trade, not comprehending this second debt, is insufficient: Farther, by this method we cannot know the state of trade soon enough to remedy its defects. The method which we propose is the only one, being both most expeditious and most certain; it includes both debts, and consequently is preferable in every respect: If it be not thought so now, it will at least be found indispensibly necessary afterwards for repairing the defects of the other.

*France*, by her situation and climate, by the fruitfulness of her Provinces, the industry and genius of her inhabitants, has advantages for commerce, which no other Nation can boast of. But these, of themselves, are not sufficient to make her trade flourishing; her inhabitants must also have a taste and inclination for trade. I have, already said, and I say it again, the

*French* have a happy genius for trade ; but they apply it to the false branches thereof.

It is true, the *French* would turn their genius to trade, if this profession set in their eye posts to which riches and honours were annexed, as it is in other professions infinitely less profitable to the State, and where even less capacity and prudence are requisite than in trade ; and if the alluring prospect of gain, which flows faster and in greater plenty in posts belonging to the *Finances*, did not divert from this pursuit most of those whose genius is proper for it.

Every man, who is capable of canvassing and conducting an affair of interest, and in whom this genius well regulated prevails, is a trader or merchant born, and may succeed in trade ; but if this genius turns irregular ; if the desire of an immense fortune leads him to be a farmer of the revenues, and vanity to be a magistrate (which sometimes is the case) this is to deprive trade of the Men and Money that were proper for it, and in a manner destin'd to it by nature. In the mean time, trade can only extend itself in proportion to the forces which it receives ; and where it is not supplied with these forces, there must necessarily be a gap. How much is it to be wish'd that means of remedying those abuses were fallen upon ! Is there not a possibility of bringing over those ambitious minds to commerce, for which they have such a natural genius, by incentives of honour and fortune ? Suppose the eldest sons of traders, who follow commerce as their fathers had done before them, should have the same additional portion in moveables, as the laws in favour of the nobles have settled with respect to heritage ; or at least suppose we should revive that excellent law of King *John* in 1350, renewed by *Henry III.* June 15, 1586 ; that of *Francis I.* dated January 12, 1538. That other famous statute of *Lewis XIII.* dated February 1, 1629, so favourable to our commerce ; his declaration in July 27, 1632, and the statutes of July 15, and September 14, 1687. Then we shall have no ground not laid out to the

the best advantage; no more supine negligence in proportion to our natural advantages; no production but shall be wrought into as many different shapes, as it is possible to conceive uses that suit with it: No more slothfulness in arts. What encrease of strength in the navy! What life, what vigour and opulence in our manufactures! Then it is that our subjects shall arrive to their highest pitch of happiness, when, according to the Author of the *Political Essay upon Commerce*, *they shall for ever bless the legislator, to whose vigilant concern they owe their comfort and redress.*

But an unhappy prejudice, which makes us look upon commerce as a profession suitable only to the populace, and which excludes from it the nobility, is still an obstacle in the way of its improvement. The nobility don't consider that they are obliged to live upon the rents of their lands; that their rents encrease, if the commodities produced by those lands, beyond what is necessary to the consumption of the inhabitants, may be sent abroad into foreign countries. Now this cannot be done but by trade, assisted by navigation; 'tis therefore trade and navigation that enrich both particulars, and the State; that make the Prince more powerful, more respected, more feared by his neighbours. It is trade that brings us in Gold and Silver, the first movers of all actions: We have no mines of those metals. All the Gold and Silver we have in *France* is owing to the industry and labour of the trader: He serves the publick by risking his fortune, and sometimes his life upon sea, to procure us plenty of what things we want, and the vent of our superfluous commodities. 'Tis true his end is to enrich himself; but by enriching himself he enriches the Kingdom, and renders it more powerful. The nobility defend the State, and serve it in war, where they hazard their lives, and spend their estates. Their end is to signalize and advance themselves. This end, it must be owned, is the more noble and generous of the two; but continued war would bring the State to ruin; trade on the contrary must ne-

cessarily make it richer and more powerful, sets it upon a foot of defending itself against the attacks of its enemies, and enables the nobility to make a figure according to their rank. What would become of the nobility and ecclesiastick estate, were they not supported by labourers and traders? This is what we may learn from a noble Lord, one of the first quality, a good Patriot, and great Minister; I mean the Duke of Sully, who, in his *Oeconomies Royales Et Servitudes Loyales*, expresses himself to this purpose. After having plead the cause of the nobility, he says, *It will however be found true, if all circumstances are minutely and well examined, that this body with all its pomp and splendour, whatever they may proudly boast, would become not only useless, but even dangerous to the State, were they once destitute of the aid, support and assistance, which they derive from the Merchants, Artists, Shepherds and Labourers.* Thus that great man lays out the advantages of the one and the other, and concludes; *That as to the blessings and conveniences of human life, a Sovereign State could more easily dispense with the Churchmen, Nobles, Officers of Justice, and all those who are concerned in the management of the revenue, than with Merchants, Artists, Shepherds and Labourers.*

Why not then give more honour, esteem and protection to a profession which is so beneficial to us? Why not annex to it degrees of distinction and preferment, such as would hinder those whose talents are most proper and useful for it, from leaving it, to buy titles and distinctions which are not to be got in their body? This evil is not perceived by us, nor do we give sufficient attention to it: It is however an obstacle to our trade, and consequently to the power of the State. If from the faint parallel I have drawn between the services of the nobility and those of the trading part of the nation, we will ballance them with equity and free from prejudice, both will be found useful and honourable; we shall see that prudence and capacity are no less necessary to carry on a great trade and extensive navigation with advantage, than valour and prudence to conduct  
a com-

a company or regiment. Nay I know not whether the State ought to make so great a distinction, between the action of an officer, who defeats either in person or by his orders some troops of the enemy, and the action of a trader, who in time of war builds and fits out one or more ships at his own expence, commands them himself, or appoints Captains over them, to fall upon the enemies of the State, pursue them and conquer them with the hazard of being vanquished in a bloody and obstinate engagement; if victorious, he brings his prize into *France*, frequently very richly loaded; from this the publick reaps advantage as well as the trader: To me it would seem there is no less valour on the one side than on the other; they both weaken the enemies of the State: Why then are the honour and rewards so different?

In short, maritime trade, and in wholesale, has nothing in itself but what is honourable. Antiquity furnishes us with illustrious testimonies in favour of those who practised it. *Solomon*, King of *Israel*, according to Scripture History, carried on a great trade abroad. *Solon*, that great Legislator of *Athens* \*, who was of one of the noblest families in that flourishing republick, being by the father's side descended from *Codrus*, the last King of *Athens* †, in order to repair the decays of fortune, into which his family was fallen by the excessive liberality of his father, chose rather to carry on trade, than to take Money from rich persons, who offered him large sums, and promised never to allow him to be in want. Now, at that time, says *Plutarch*, after *Hesiod*, no handicraft was shameful, no art nor trade made any distinction between men. Merchandise especially was honourable, because it opens a communication with barbarous nations, affords the means of making friendship and alliance with Kings, and leads to the knowledge of an infinite deal of

\* He lived 598 years before Christ.

† *Plutarch's* Life of *Solon*.

‡ *M. Dacier's* translation.

things, which would be unknown without it. There have been Merchants founders of great cities, as Protus, who founded Marfeilles, after having gained the friendship and esteem of the Gauls, who live upon the banks of the Rhone. We are told also that the wise Thales and Hippocrates, the Mathematicians, applied themselves to commerce, and that Plato defrayed the charges of his journey into Egypt, by selling oil in that country.

Cato, the Censor \*, that Roman Demosthenes, a man of such rigid and delicate sentiments of virtue and honour, thought it not below him to acquire an estate by commerce: Wholesale trade, he said, depended chiefly upon the mind, whereas trade in retail gave only employment to the hands. As all the acts of the mind are noble, the laws, which have neglected the distinction and illustration of *trade in retail* for certain moral reasons, have honour'd and distinguish'd wholesale trade.

According to Cicero †, trade in retail is mean and sordid, but wholesale trade is not: This brings from all places in the world commodities and plenty; it requires genius and prudence, and 'tis as useful to the publick as Medicine, Architecture, &c. which Cicero reckons honourable.

As a proof that commerce had nothing in it base and derogatory among the Romans, the Emperor Pertinax exercised it the greatest part of his life, and even after he was Emperor ‡. Caracalla in the cruel massacre he caused to be made at Alexandria, had great regard to the body of Merchants, who were very numerous in that city: In giving orders to all foreigners to remove from it, he excepted the Merchants, and allowed them to stay there at liberty. Alexander Severus, from a view to make trade flourish in Rome, and to bring in Mer-

\* Plutarch's life of Cato. He lived 196 years before Christ.

† Offic. L. I. towards the end, he lived 78 years before Christ.

‡ History of the Commerce and Navigation of the Ancients, by M. Huet. Chap. 57. No. 9, 11, 12 and 13.

chants thither, granted them large immunities. *Maximianus* himself carried on trade with the *Goths*, &c.

We might find a great many other examples, had we a mind to seek after them, which would shew us that great men have thought it no disparagement to them to acquire estates by trading: Such examples are common among the *Greeks* and *Romans*; these people had as delicate notions of honour as we. The *English*, the *Dutch*, &c. have the same sentiments in this respect as the old *Greeks* and *Romans*. Why we should not imitate them is what I cannot account for. The *Venetians*, in order to train up the Sons of their nobility in the knowledge of the navy, oblige the merchant ships that sail into foreign countries, to take always two of them, whom the captain is obliged to maintain at his table, without being bound to any work, but only to take notice how the ship is wrought, and what observations are made by the Pilots.

In fine, maritime trade was so honourable among the ancients, that the Emperors granted it a particular protection. *They honoured the cities that signalized themselves in commerce, or in building ships, or that were famous for some considerable sea-port.* These cities caused their medals to be stamped either with a ship, or with a prow, or sometimes with a *Neptune* and his trident, or with a *Dolphin*. Such were the medals of *Tyre* \* and *Sidon*, of *Bizantium*, of *Leucale*, *Chelidonium*, *Syracuse*, &c. *History of the Commerce and Navigation of the Ancients*, Chap. XLVI. No. 15. p. 273.

*France*, as well as the *Roman Empire*, has maritime and trading towns that deserve medals, and are undoubt-

\* The Scripture, *Ezek. 27.* furnishes us with a glorious testimony of the riches and maritime forces of the city of *Tyre*, which the Prophet extols as well as her sailors, her shipping, her great trade, &c. But this might be the old *Tyre*. The new city far surpassed it, according to the late *M. Huet* in his *History of the Commerce and Navigation of the Ancients*. Chap. VIII. No. 4. p. 33. According to *Herodotus* the *Tyrians* came from the *Lydians*, as has been said above, at the beginning of this article.

edly of consequence to be honoured and protected, because they have signalized themselves in trade, and by building of ships. Nay, she has some that have done more, and tho' they have neither lands nor manufacture, have found a way to carry on navigation. They are accustomed to hazards; their ships have braved the dangers of the main; they have grown formidable to their neighbours by harrassing them continually, and by weakening them to such a degree that those enemies, in revenge of their losses, swore the destruction of one of those cities; and for that effect invented that formidable machine, so celebrated, which was to reduce it into ashes. What wonders have been done by the courageous inhabitants of that city, equally distinguished in its warlike and trading capacity, in defiance to all the efforts of the enemies to the Crown? Bounded to some rocks, they had found a way to render it inaccessible on all sides, to build fortresses which secure their port, in a word to make their rocks a prodigy of art, and an eternal monument of a genius for war, matched with a genius for trade. How many excellent sea-captains have been produced in that city, and some others like it, which cultivate trade! How many ships have they built and fitted out! What noble Sailors! What excellent Artists! How many young combatants have they trained up\*! And then how much Gold and Silver have they brought into the Kingdom! Their ships happily arriving from the *South-sea* in 1709 brought home *gold and silver Bullion to the amount of thirty millions*, which were a supply to the State of so much the more importance, as those cities lent the King *fifteen millions* in a very pressing exigence. This is what we are told by the Minister of the Finances

\* I shall take leave to remark here, that several of the privateers and seamen whom the city *St. Malo* made use of during the course of the last wars were *Normans*. Among them who mann'd their ships, and distinguished themselves in fight, there were many from that Province. At this day several *Maloine* families are natives thereof.



himself in the 13th page of his Memoirs, whereof the passage is quoted above, Chap. I. art. 4. p. 24. What spoils of the enemy have those trading towns brought home, ruining the commerce of our neighbours, and securing our own! Shall the nobility then, most of whom live idly in their castles, be thought more serviceable to the State, more brave, more warlike, than those heroick citizens? How would the Republicks of *Greece* and *Rome* have heap'd honours and rewards upon citizens so worthy of that name!

The maritime forces of the *Romans* contributed not a little to their great power. Accordingly we see in the Digests some laws which inform us how much they applied themselves to sea affairs in certain conjunctures, even during the heat of their wars. The exemptions from all municipal charges which they granted to the citizens to invite them to build ships and cultivate trade, are invincible proofs of their having been perfectly sensible, that maritime forces and commerce were necessary to the preservation and advancement of their power.

Cardinal *Ricblieu*, who had so extensive views for aggrandizing the State, found no way more effectual to promote the power of the King and the riches of the nation, than to improve navigation and trade; and indeed there is no other that can bring us in Gold and Silver. That great Statesman shews us very well the necessity and usefulness of a power by sea\*. According to him trade has a necessary dependance upon that maritime power.

After having shewn the advantages which the *English* would have over us, if our weakness by sea should cut us off from all means of attempting any thing to their prejudice, he cites by way of example the insult offered by that proud nation to the Duke of *Sully*, sent by *Henry IV.* into *England*, in quality of Ambassador extraordinary; and he counsels *Lewis XIII.* to put him-

\* The Political Testament, Chap. 9. Sect. 5. L. 6.

self in such a posture that he may not suffer the like again. He shews all the advantages of a powerful navy; he proves the usefulness of it and of trade, by the example of the *Dutch*, who owe their power only to their navy and their trade. It was in time of his ministry that *Lewis XIII.* made that glorious Statute of *February 1, 1629*; where, in order to induce the subjects to carry on sea trade, he declared by the 452d article, *That the gentlemen, who should apply themselves to that commerce in their own persons, or by substitution of others, should derogate nothing from their nobility, &c.*

It was upon these same principles that the great *Colbert*, that faithful minister, protected arts and manufactures. There were at that time in *France* a great many factors and commissioners from foreign traders, and very few traders. He look'd upon societies or companies as the most proper means to engage the *French* to carry on trade by themselves: and as among all the examples of commerce that are extant in the several parts of the world, there is none richer nor more considerable than that of the *East-Indies*; he discovered thereby the importance of navigation and of long voyages; he observed that those voyages not only were indications of the power of a State, but also an infallible means of introducing plenty into it. He was of opinion therefore that it suited with the glory of the King and the interests of his people to undertake that trade, which *Henry IV.* and *Lewis XIII.* could not carry to its perfection. He determined the King to form the same design in 1664, and to spare nothing for the accomplishment of so great a work, which might be rank'd among the most famous transactions of the reign of *Lewis le grand*. He formed an *East-India* company, he protected it with all his power, assisted it with his Money, and took upon himself the heaviest charges of the execution, though he would have no share in the profits of the success. You will even find in *Father Charlevoix* the Jesuit's History of *Japan*, that knowing the *Japanese* received in their  
ports

ports only *Dutch* ships, and would traffick neither with the *Spaniards* nor the *Portuguese*, upon account of their professing the Catholick Religion, whereby they became odious to them, this Minister propos'd that the Emperor of *Japan* should be told that the King of *France* had a great many subjects who followed the religion of the *Dutch*, and that if he thought fit, the King would send ships to him mann'd by none but those of that religion \*. This is called thinking like a Minister. The project however did not succeed, by reason of the prejudice of the *Japanese* government, which is terribly apprehensive of strangers, having got intelligence of what pass'd in the *East* and *West Indies*.

In this manner did that great Minister encourage traders to apply themselves to maritime commerce, and to build ships proper for long voyages. That company was not the only one he form'd ; he establish'd one for the *West-Indies*, for the trade in the *Levant*, and for that in the North Seas. He laid out himself for the improvement of our old manufactures ; he establish'd new ones ; in fine, he gave powerful protection to trade, arts and manufactures, which he justly consider'd as the most effectual means to increase the power of the King, and the riches of the Kingdom. And, indeed, to say it over again, there is no other way that can bring in us Gold and Silver. M. *Colbert* had the satisfaction to see that his pains and endeavours were not useles ; he left trade in a flourishing state : But after him, the face of things very much changed ; commerce was ruined, and all the expences he had laid out for the establishment of the *East-India* Company, and what were laid out since his time by his successors, were no longer sufficient to make that trade advantageous.

The *Malouins* took it upon themselves in 1710, on condition they should give ten *per cent.* upon the whole profits they made by the sale of their goods. At first

\* See Observations upon modern writings, Tom. 10. p. 305.  
they

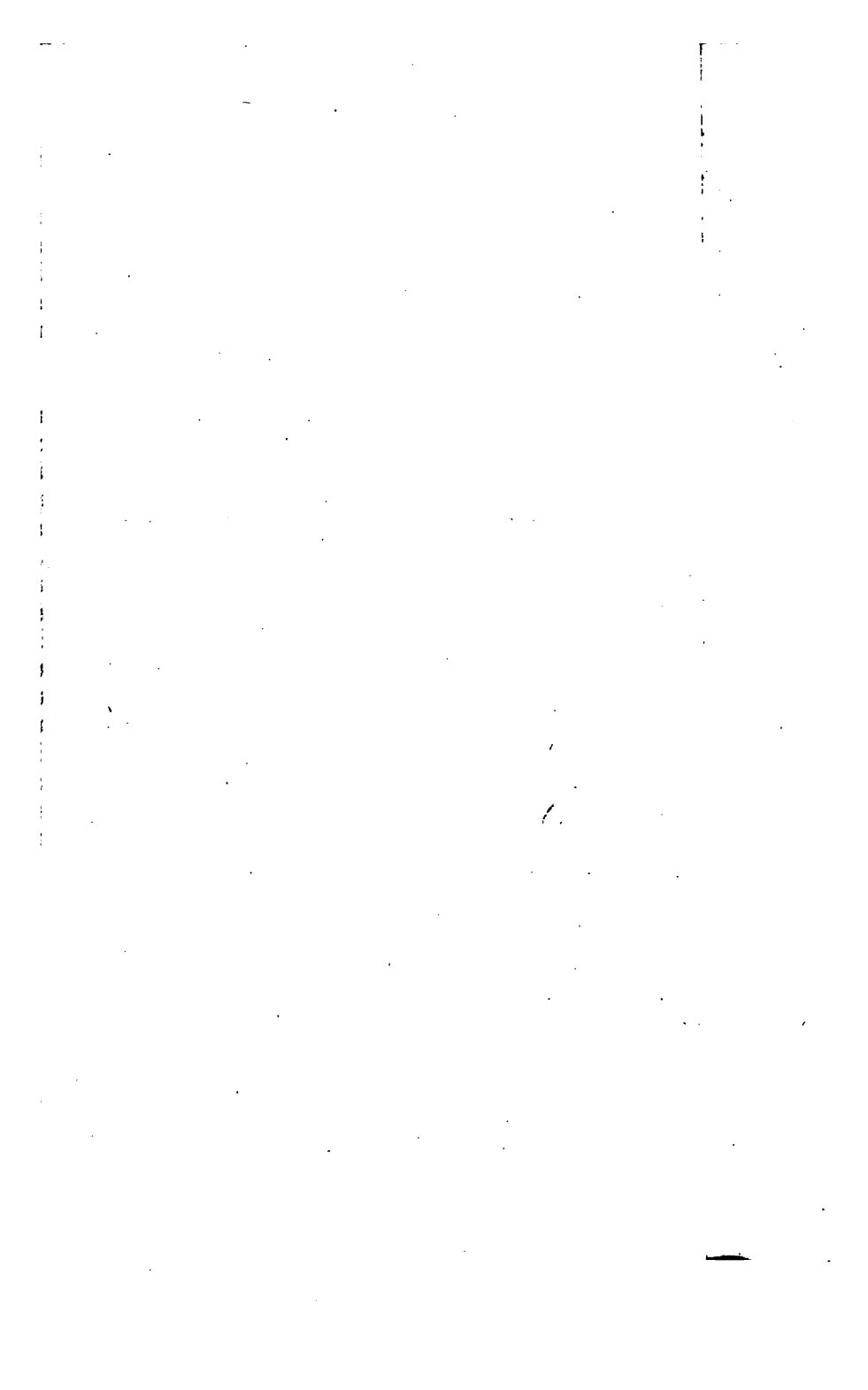
they did not get into the way of that trade, and it languished in their hands ; it was even too low to answer all our own exigences. Infomuch, that we were still obliged to purchase from our neighbours a part of the goods which we made use of from Eastern Countries ; a slavery from which *M. Colbert* designed to have set us at liberty, and which was as dishonourable as it was ruinous to the State.

Navigation, which is the soul of commerce, procures always a vast profit to the State. The building of ships, their victualling and stores, considerable articles of expence, which, being laid out within the State, furnish several inhabitants with the means of living and enriching themselves \*. It employs, all the inhabitants of the sea-coasts, who can hardly be useful in any other way, and, for want of this navigation, are in a manner necessitated to serve in foreign countries ; this is what happened whenever we gave over sea trade. By losing them we sustain a double loss ; our coasts become desolate, our navigation languishes, and that of our foreign neighbours encreases at our expence. Prohibitions against sailors going out of the Kingdom are useless : They are born only for sailing, the sea is their element ; if we do not employ them that way ourselves, no prohibitions will prevent their going elsewhere to seek for employment.

But we are told, the maintenance of a powerful navy costs the State immense sums of Money, which it is unable to support.

\* Nothing is more contrary to the interest of the State, than not to employ all the citizens. What shall we then think of those who would hinder some particular persons from being employed in an honest and useful way according to their talents ? One has a talent for making a Comedy, another for composing a Romance, a third a Novel, &c. This way their genius lies, and no other. Such talents I own are of no great use to the State ; but still they may serve to make Bookfellers and other tradespeople live ; to maintain the trade of a Merchant, and to procure several other advantages needless to particularise. We shall only say that the smallest labour which neither wounds morals, nor the laws, is always beneficial to a nation in general.

To



# Rate of the Ships.

		Nutrient equipment month.
• First Rate		
2d Rate		19 l. 10 s.
3d Rate		29 l.
4th Rate		34 l.
5th Rate		20 l. 15 s.
		27 l.
Totals		
Small Frigats		140 l. 5 s.
Fireships		29 l.
Barca Longas		14 l.
Pinks		179 l.
		291 l.
Totals		
Galleys		1713 l. 5 s.
		32 l. 15 s.
The whole Navy therefore cost		46 l.

To remove this prejudice, we must shew by an accurate and well calculated detail what was the monthly expence of the navy in 1681, the most flourishing one that *France* ever had. Here is an exact summary thereof \*.

This navy, as we know, was as splendid and magnificent as it was powerful. It consisted of 115 ships, of the first, second, third, fourth, and fifth rates; of 24 small Frigats, 8 Fireships, 10 *Barca Longas*, and 22 Pinks; making in all 179 ships, consisting of 7080 pieces of canon, 1028 Major-officers, 7955 marine Officers, 20618 Mariners, 10904 Soldiers, the whole crew being 39477, (the 1028 Major-officers not included).

\* See the Summary fronting page 273.

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webster

Whole monthly pay when they were equipped amounted to }  
 the sum of 667,143 00 00 }  
 And the victuals per month cost \_\_\_\_\_

336,650 00 00

Which makes the sum of \_\_\_\_\_

1,003,793 00 00

The 30 gallees all of them likewise armed, whose whole crew were 5600 Slaves, 2400 Sailors of one class, 935 of another \*, and 3010 Soldiers, cost for their pay and victualling +

99252 15 00 }

2,08220 10 00

Pay and victualling extraordinary \_\_\_\_\_

108967 15 00 }

1,212,013 10 00

The expence of that whole navy armed and equipped would therefore cost per month the sum of }  
 Surpassing the whole to be equipped for six months of the year, a thing which never happens every year, that formidable Navy would cost }

7,272,081 00 00

\* *Mauritius de Rango* and *Mauritius de Rambaldi*, names taken from the parts of the galley to which we have nothing correspondent in English.

+ The necessity of those galleys is not very evident, perhaps the expence which they occasioned might be laid out in a way more advantageous to France.



Had all things risen in proportion to the Specie, we might say that this expence at present would amount to 12 millions 933 thousand 920 Livres, because 7 millions 272 thousand 81 Livres of that time, are exactly equal to 12,933,920 Livres of the present. But all things have not risen in proportion to the Specie : The salaries or pay of the sea-officers are much the same as they were in 1681 ; a seaman of the first class has no more than 15 Livres *per* month ; those of the second 13 Livres 10 Sols, and so of the rest. Corns are not dearer at this day than they were. This being the case, the pay and victualling of 39,477 men, who were in the aforesaid 179 ships, (not including 1028 Major-officers) and of the 10,985 men, who were in the abovementioned gallies, making 50462 men, which amount, as we have seen, to 7 millions 272 thousand 81 Livres of that time, would hardly cost more at this day. The additional expence, if it can be called one, will only respect the construction and equipment of the ships and gallies, which we don't comprehend in this calculation, and which to a mere trifle might be made up by the savings of those years, when only a part, or at least not the whole of that navy is armed, for the whole navy is not armed and equipped every year ; when at sea, it is there for ordinary only six months of the year ; or when 'tis not, or but a part of it, the expence is not so high ; what is short of it amounts to a good deal, and at the long run perhaps more than compensates the charges of the construction, rigging, and arming of those ships.

*Another CALCULATION.*

'Tis agreed among those who know what the construction and equipment of ships is, that a man of war of 60 guns, equipped and victualled for a year, pay, &c. costs 600,000 Livres.

	Livres.
<i>Now the pay and victualling for a crew of 500 men for one year, and the pay of the major officers, amount to 160 thousand Livres; at least they exceed 159,000 Livres</i>	160,000
<i>This sum subtracted from the 600,000 Livres above, the remainder 440,000 Livres is for the construction, the equipment, guns, &amp;c. of the ship. And the common duration of a ship is 20 years</i>	
<i>We must therefore reckon for every year only</i>	22,000
<i>A ship of 60 guns, compleatly equipped in war, costs therefore per annum at most but</i>	182,000
<i>Consequently 100 ships of that kind would cost 18 millions 200 thousand Livres per annum: But such a navy is at sea at most but six months of the year. A man of war of that kind, is able to carry provisions for 500 seamen, only for five or six months at most. Now the pay and provisions of that ship for six months amount only to</i>	80,000
<i>The construction and rigging as above</i>	22,000
<i>It would therefore be only</i>	102,000

And

And for 100 ships, 10 millions two hundred thousand Livres *per Annum*, supposing the whole to be equipped six months of the year, which never happens every year; thus we may say that a navy of 100 ships of 60 guns would not cost ten millions, *communibus annis*, all things included; an expence not to be laid in the balance with the honour and advantage, which would accrue from thence to the nation.

In 1681 the expence of 7 millions 272 thousand 81 Livres was not more than *France* was able to bear; the King however at that time had only 116 millions 873 thousand 476 Livres of revenue\*. He enjoys now at least 200 millions: Therefore, you will say, he is abler to support that expence than he was in 1681. That is true if we look only to the tale of pieces, which is at present more than it was then by 83,126,524 Livres: But if we consider that these Livres are not the same, we shall find our error;

Marks.

For the 116,873,476 Livres in 1681  
at 28 Livres the Mark of Silver made to  
Lewis XIV. a yearly sum of

4,174,052 $\frac{1}{2}$

And the 200 millions of Livres which  
Lewis XV. enjoys at present, consist of Li-  
vres, whereof 49 l. 16 s. go to the Mark;  
consequently his present Majesty receives  
only the sum of

4,116,466

Therefore Lewis XV. receives the yearly  
sum of 7,865,825 Livres less than  
Lewis XIV. received, amounting to

57,586 $\frac{1}{2}$

Lewis XV. is therefore really less rich with his larger tale of 200 Millions, than Lewis XIV. was with his smaller one of 116 millions, though the people are not

\* Chap. II. Art. 5. p. 124, &c.

thereby more eased, abstracting from the price of commodities which has risen. This is a very plain proof *that the rise of the numerical value has been disadvantageous to the King and people as debtors.* But this does not hinder *France* from being able to furnish out the expences of a powerful navy; it will be easy for her, if she has a mind, even without burdening the people with new taxes, to find 8, 10 and 12 millions a year, if they be necessary for the maintenance of that navy. This expence is the more necessary to *France*, as the never will be powerful, respected, nor feared by her neighbours, till she is mistress of the sea. All the forces she may or can have by land, will never produce the same effect. An army of twenty thousand men upon that liquid plain would procure to her more honour and profit than two hundred thousand men by land.

The ancients knew that their power and riches absolutely depended upon maritime forces. They were no less persuaded than *Themistocles* had been, and than *Pompey* was afterwards, of the truth of this great maxim, **HE WHO IS MASTER OF THE SEA, IS MASTER OF ALL \***.

The Response given by the oracle of *Delphi* to the *Athenians*, to fortify their city with wooden walls, to defend themselves against the invasion of *Xerxes*, is an advice which all conquerors have taken to themselves, and which *Lewis XIV.* made use of so successfully, that his power by sea was become as formidable to the *English*, the *Dutch* and *Spanish*, as that of his Grandfather was weak and contemptible †, witness the affront offered by King *James* to the Duke of *Sully*, which we have mentioned above.

\* History of the Commerce and Navigation of the Ancients, Chap. XVI. No. 14. And the *French Mercury*, Tom. XIII. p. 226.

† Notes of *Amelot de la Houffaye*, p. 238 of the second Volume of Cardinal *d'Orsay's* letters.

The indispensable necessity *France* lies under to maintain a powerful navy, is also fully confirmed by a discourse upon that subject, delivered by an old servant of the crown, quoted in the 13th Tome of the *French Mercury*, page 209 and sequ. By the letter of Cardinal d'Osset of the 16th of October 1596, to M. de Villeroy, Minister and Secretary of State \*; by the Council which *Antony Perez* gave to *Henry IV.* and by that which Cardinal *Richlieu* gave to *Lewis XIII.* as we see it in the 9th chapter of the second Part of his *Political Testament*, Section 5. Now if in order to be more powerful by land, we must be stronger by sea, and if the Prince who is master of the sea is infallibly Umpire of his neighbours, there is no room for demurring; whatever expence a powerful fleet may cost, we ought to lay it out preferably to other things which are less important, since the interest and grandeur of the King, the good of his people, and the security of the State require it.

*France* may have an hundred thousand sea-faring people, the soldiers of the navy not included. 'Tis her interest to employ and maintain these seamen; they are useful and valuable subjects to their country. I shall here give a particular account of all those who were through the several coasts, and in all the districts of the kingdom, according to the reviews of them which were taken by the Commissaries in the month of *January* 1713, amounting to 92450 men.

\* 'Tis the 84th in that collection of letters published in 5 volumes in 12mo, with notes, by *Amelot de la Houffaye*, page 237, and sequ. of the 2d Tome.

## V I Z.

Sea-Officers	Captains, Masters	5585	16619
	For working the ship	3225	
	For the steerage	1577	
	For the gunnery	3329	
	For the carpentry	1643	
	For the calking	721	
	For the sails	530	

Sailors*	At 15 Livres per month	8253	41278
	At 13 Livres 10 Sols	7153	
	At 12 Livres	7247	
	At 11 Livres	5861	
	At 10 Livres	12764	

The unexperienced seamen in all the districts	11276
Skip boys, ditto	10920
Invalids, ditto	12366

Total of all the sea-faring people in all the districts of the kingdom	92450
--	-------

Now the major officers, such as Lieutenant-generals of naval armies, Commodores, Captains, Lieutenants, Ensigns, &c. of ships, are not included in this calculation; thus we have more than a hundred thousand seamen without reckoning the soldiers and the *Gardes Marines*†.

\* They receive no more pay at this day. Provisions or Corns are not dearer now than they were in 1681. Thus the additional expence cannot fall upon the pay and victualling; it can only respect the building and rigging of the ships.

† These are gentlemen distributed through the several sea-ports, to be instructed at the King's expence in the knowledge of navigation, and whatever belongs to it, who serve as volunteers: Out of this body the sea-officers are generally taken.

The

The land forces cost much more than this powerful navy, and they are neither capable of bringing us so much honour nor profit; they can neither make the *French* flag be respected nor feared so far; they are no sort of protection to our foreign trade, which is the only means of aggrandizing and enriching the State. All the forces we can have by land, will never free us from subjection to maritime powers, nor put us in a condition to humble the pride of those haughty Islanders, who believe and call themselves the Kings of the sea. This we are only to look for from a powerful navy, able to dispute that Empire with them, and to oblige them to pay the first honour to the *French* flag, an honour which is due to it by a just claim, as we shall endeavour to make appear.

*Cæsar* in his Commentaries speaks of the northern *Gauls* \*, as those who understood Commerce and Navigation,

\* These are at this day the inhabitants of *Normandy* and of the Low Countries. They have always been famous for navigation. See *Thuan's* History.

According to the geographical State of *Normandy* by *Masseville*, Tom. II. p. 688. We owe to the *Normans*,

The discovery of *Guinea* found out by the inhabitants of *Dieppe* in 1364.

The Conquest of the *Canaries*, by *John de Bethencourt*, Lord de *Grainville* in the county of *Caux*, in 1402, and not in 1348 as the Author of the History of Navigation alledges, Tom. I. p. 69. In 1479 the privateers of that province took from the enemy 80 ships loaded with Corn and Herrings. The History of *Normandy* by *Masseville*. Tom. IV. p. 318.

The discovery of the third continent of the world, known under the name of *Terra Australis*, made in 1504, by Captain *Gouneville* of *Lisieux*.

The discovery of *Canada*, made Anno 1508, by *Thomas Aubert* of *Dieppe*.

According to *Mexeray*, Tom. II. p. 665 of his large history, *Guillemot's* edition, the people of *Dieppe* have always had the glory of the sea among the French; and Anno 1556, with 19 Ships they beat 22 *Flemish*, larger and better provided in artillery and fireworks; they carried several of them to *Dieppe*. He adds, that the *Normans* had more men, that the Dutch were wont to fight with cannon-shot, and the *Normans* with short arms, and by boarding. *Thuan* gives the same account of them. And it was by order of King *Henry II.* that

vigation the best of any who were then known, without even excepting those of *Marseille*: He highly extols the dexterity of their pilots; he glories in having transmitted to the *Romans* the manner of building ships, and of navigating, as practised by the northern *Gauls*. *Vegetius* has written upon their naval discipline.

*Sidonius* speaks to the advantage of their mariners; he makes them as expert as the pilots of other nations; he says, they know how to obey, as they know how to command. At that time the *English* knew nothing of navigation. *Cæsar* says, they had only little canows of ozier for their fisheries, and for navigating along their coasts.

'Tis very much to the honour of our nation, that ancient Historians find there the oldest and the most expert sailors. Ought not this to put it beyond debate that the first honour is due to the *French* flag?

At that time commerce was not look'd upon as derogatory to the nobility; it was on the contrary the original and support thereof. The *Gauls* made no distinction in the affair of commerce and navigation; the nobles as well as the *Plebeians* traded equally. The trading people far from being excluded from offices and employments, were on the contrary invested with them, as having greater ability and experience than others; for

that they set out and attacked that fleet. *Geographical State of Normandy* by Masseville. Tom. I. p. 142.

According to the History of Navigation. Tom. II. page 91. Chap. IV. *Nambuc*, a Cadet, of a good family in *Normandy*, and Captain of a King's ship, was the first of all the *Europeans*, who projected the design with success, of forming a colony in the *American* Islands, Anno 1625.

And in fine, the discovery of *Louisiana* made in the year 1676 or 1680, by *la Salle Cavalier* of *Rouen*.

We might place at the head of the achievements of the *Normans*, their conquest of *England*, Anno 1066, and that of the Kingdoms of *Naples* and *Sicily* made Anno 1070, by the Lords of *Monteville*, of the Diocese of *Coutances*.



as commerce and navigation enrich persons, so they make them also more capable than others of managing affairs, and consequently fitter for posts and offices \*.

But the wars with which the *Gauls* were harrassed, for several ages having too much distinguished from others those who bore arms, by their services and posts, as by the riches which they acquired by the spoils of the enemy: And these having given over commerce, to devote themselves solely to arms, commerce remained only with the populace. A distinction so rivetted by long use, that whatever laws the Kings have made to engage those whom we call the Nobles, to cultivate maritime and wholesale trade, by making it compatible with the privilege of their birth, they have always preferred, to an honourable commerce, a dull inactive life of ignominious poverty, despising the example of the ancients, of the *English*, the *Dutch*, the *Genoese*, &c. who, considering commerce in a quite other light than we, live in a happy plenty.

It is navigation and commerce that render *Great Britain* so rich, so powerful, and have enabled that island, of a long time, to counterbalance all the powers of *Europe*; and yet that country is not equal in extent to the half of *France*.

It is also navigation and commerce that make *Holland* so powerful; though its dominion extends only over seven little provinces, which produce not the twentieth part of what is necessary to the inhabitants; and yet they put to sea a prodigious number of ships, and maintain considerable armies by land, which has made that small country, as it were, the general treasury of all the nations, which their policy has found a

\* Father *Lamy*, in his dissertations upon the sciences, says there are none who reason in general with so much good sense and justness, as a merchant does with respect to the affairs of commerce. The reflections and calculations which he is continually obliged to make, accustom him to think,

way to unite against us; and who, without the assistance of Money from *Holland*, would not be long of breaking their union\*.

*Genoa*, that magnificent city, that has but a small compass of dominion, would she ever have been in a condition to support so many wars, were it not for the riches that commerce and navigation procure her? In what vast expence has she been engaged for many ages,

\* That nation has, at all times, artfully improved every occasion that offered in favour of their commerce, and remarkably the interest that we had in 1678 to disunite her from her allies: This unhappy circumstance determined the King to grant her a renewal of old treaties, and to allow her to explain them as she pleased; which she joyfully accepted, and in consequence thereof the treaty of *Nimeguen* was agreed to April 10, 1678.

After having said, in the 6th article of that treaty, that the subjects on either side should enjoy a full and entire liberty of commerce in *Europe*, in all the bounds of each other's dominions, the *Dutch* added to the former ones what we find in the 7th article: This article is of so much importance and advantage to them, that they have again extended it in the treaty of commerce made at *Utrecht*, April 11. 1713. The particular regard which the *Dutch* shew to this article, lets us see, that they hold for almost nothing the rest of the treaty, provided we put in execution this article, which is as favourable to them as it is contrary to the interest of our commerce: For this article, they made no scruple to withdraw from their allies at *Nimeguen*, and to be the first who sign'd the treaty of *Ryswick*.

By means of this article the *Dutch* enjoy the fertility of our country, and all the advantages of the *French* subject: They make a very advantageous use of it, to the prejudice of the natural subjects, and without contributing in any thing to the support of the State. Besides the advantages which this article procures them, they take from the King even the liberty of granting any particular favour to his own subjects, unless at the same time he gratifies with it the *Dutch* merchants: and by the 9th article we, in a manner, renounce the *Levant* trade in favour of the *Dutch*, who are become the masters of it.

The *Dutch* are not ignorant, that upon the remonstrances and complaints of the subjects, the sovereign, who owes them justice preferably to foreigners, is always in the right to make what regulations he thinks proper for the good of the State. To conclude, this article, included in the treaty of *Utrecht*, has been limited to twenty-five years, and consequently it expires April 11. 1738.

to resist the *Venetians* and other people in *Italy*, to whom her prosperity gave umbrage? How many seditions at home amongst her inhabitants? How many tumults and commotions excited by those famous names of *Guelphs* and *Gibelins*? How much must all these have cost her? What vast expence has she been put to by the rebellion of *Corfica* for these ten years past? That article alone, we are assured, amounts to upwards of thirty millions. She is still flourishing after all, and abounds with every thing: In the mean time, she has no other resource but from commerce.

There are numbers of other examples we might cite; but these I take to be sufficient to shew us, that *France* would reap vast advantages from commerce and navigation, if the taste for commerce could be further promoted in *France*.\* What noble families would then be raised?

I shall say farther, in favour of commerce, that we neglect too much the studs for breeding of horses; nor do we make them turn to good enough account in *France*. They would be of vast advantage both to the King and subject in time of war, when we are left to the discretion of *Jews* and *Foreigners*, who sell horses to us at what rate they please. It would be necessary for this effect, to engage the nobility and all others who possess lands in fee, to keep such a number of stallions and mares as their lands could maintain, instead of the many bad horses, from which they reap no other profit but their labour.

At all times, the *English* and *Dutch* have endeavour'd to get us to demolish any considerable sea-ports we

\* The erection of the *India* company is a pretty sure means to engage the *French* to carry on commerce, and to give them a taste for it; this is a blessing to the State. The maritime trade, which it carries on with success enough, sets us at liberty from the servile tribute we paid to our neighbours before its erection, to be supplied with things we wanted: They took advantage of our supineness, to enrich themselves at our expence.

have had in the Channel : These ports give umbrage to them, and extremely incommode their commerce. But their continual opposition is an invincible proof, that it would be beneficial to our commerce and navigation to have at least one secure retreat for our ships towards the middle of that bay. Cardinal *d'Offat* was sensible how necessary this was ; for, in his 90th letter, dated *December 18, 1596*, he says to *M. de Villeroy*, to whom he writes, that *it is of very great importance to us, that we have men of war in that strait*. Now, we can have no ships there without a port for their retreat ; I have always heard it said that, with a little expence, we might make an excellent one at *La Hogue in Lower Normandy* ; this is the place in the world most proper for raising an important fortress either for commerce or for ships. It would hold a great many of them ; there they would lie in security, and sheltered from every dangerous wind, by making a mole of about two or three hundred toises, of the great or small redoubt of *Marfalines*, towards the fort of *La Hogue*, leaving, at the foot of that fort, a convenient entrance for the port, and, by digging the bay which the mole would inclose. We might even cause the port to be cleansed by the river *Saire*, which is but about the distance of six or seven toises from it, and which might easily be turned into it. That port would then be very considerable and well situated ; it has an admirable road, and all who are acquainted with the affairs of the navy and with navigation agree, that we ought to labour at it, and improve the advantages of that place, notwithstanding the opposition of our neighbours ; for the more they set themselves in opposition to it, the more ought we to be sensible, that it tends to our advantage. We ought by no means to be afraid of them ; this would be to do them too much honour. In a word, there it is we must have a port. The late Marshal *de Vauban* was of this mind ; he has, as I am told, laid down the  
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the whole plan and scheme of the work : The low jealousy of other sea-port towns has opposed it ; perhaps the interest of the State, and of commerce in general, has not been sufficiently consulted, which ought always to prevail over private motives ; but private interest has always numbers of advocates, and the general interest has but few.

To make peace, in order to procure to ourselves all the advantages of an extensive commerce, is to make war upon our enemies. Let us have no more to do therefore with those victories that are gained by ruinous means. Let glory sleep and be at rest. It is in the heart of our plains that industry shall open to us easy paths to greater conquests. May propitious Heaven preserve to us a Prince whose wisdom measures his glory by the happiness of his people, and a worthy Minister, who second his views with so much zeal and extensive discernment. *France*, superior by the advantages of her commerce, shall make neighbouring States know, that she is as capable of raising her power by peace as by war.

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## RECAPITULATION *and* CONCLUSION.

### I.

**T**HE laws cited by the Author of *the Political Essay upon Commerce*, are not more favourable to the Debtor than to the Creditor ; nor is there any reason for favouring the one more than the other. The Debtor can never be wronged by paying what he owes after a rise of the Coin, upon the foot of the value it had at the loan, or drawing of the bond. In like manner the Creditor, who receives, after a fall of the Coin, in the same Specie that he gave before it, has no reason to complain : This is conformable to the law of nature and nations, and to the statutes quoted by the Author. They inform us, that this was the very practice in their time ; which is diametrically opposite to the maxim laid down by our Author in the 174th page of his book : Thus that maxim is ill supported by those statutes ; it is prejudicial to the circulation of Specie and to credit ; it may even prove a mean of introducing usury.

### II.

If the Debtors return only what they got, conformably to the very statute of *Philip le Bel*, relating to this subject, it is neither possible for them to lose, nor  
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consequently to be ruined by the fall of the Coin, mention'd by the Author: Thus there is nothing in that case to hinder them from being able, as they are bound, to clear their debts.

As little do I find that the passages of *Sponde* and *Dumoulin* answer the complaints that were made against the raising of the Coin, which contributed much more to the sedition than the lowering of it; but that sedition was owing neither to the one nor the other, separately considered; it was occasion'd by two unequal values being given at the same time to one Specie, which was the reason that no body was willing to receive in raised Coin, nor to pay in lowered.

The Sol, in *Charlemagne's* Time, is worth between  $76\frac{1}{2}$  and  $81\frac{3}{4}$  of our present Money; thus the numerical value is raised from 1 to  $76\frac{1}{2}$  and  $81\frac{3}{4}$ , it follows not from thence that the raising the Coin is a thing indifferent to us; and that it has done no hurt to our commerce and *Finances*. Who can tell what our commerce would have been at this day and our riches in Money, if our several alterations of the Coin had not interrupted and disorder'd our commerce. This is opposite to what our Author says, p. 185 & sequ.

### III.

From the account of the present state of Money in *Lorrain*, we find none of it a sixth part lighter than ours, as the Author will have it in the 197th and 198th pages. There is no great profit to be made by exchanging our Specie for theirs; thus in the present situation, neither of them draws in the other; that of *France*, however, has the advantage. This is the answer to the question proposed by the Author, p. 198.

## IV.

Thirty millions having been brought home from the *South-Sea*, whereof fifteen was lent to the King; eleven millions, the produce of the recoinage; the new grants of rents upon the *Hotel de Ville*; the additional salaries given to different Officers, and the daily receipts of his Majesty's revenue, were the means of preserving the State in 1709, and not the raising of the Coin, as our Author advances in the 202d page of *the Political Essay upon Commerce*.

## V.

The falls of the Coin were not the only cause of the misfortunes, the want of credit, and bankruptcies that happen'd in 1714, and in the following years, as the Author asserts, p. 203 and 204. The table which we here set before him of the situation of the Finances, shews him sources of all those misfortunes much nearer hand. The true cause thereof was the King's not paying his debts, for which we have the authority of the Minister of the Finances himself. As his Majesty had no Money in his coffers at that time, he could lose nothing by those falls, but some deficiency in the collecting of his revenue.

## VI.

The rise of the Coin in December 1715, produced an effect very opposite to what our Author ascribes to it in the 205th page, namely, *its having supported the Finances in 1716 and 1717, notwithstanding the want of credit, which was kept up by the Chamber of Justice*. On the contrary, it involved us in a greater disorder than the nation was in under *Philip le Bel*. The difference of 25 per cent. which was left between the unreformed  
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and the reformed or new Specie, which was of the same weight and standard, made those who had no mind to risque exportation, to keep up the unreformed till it was raised to a par with the other, or till the other was cried down, that so they might get that part of the Money to themselves which would have fallen to the King; or else they sent it abroad into foreign countries, where it was recoined. In the first case, it becomes an useless stock to the publick, and even to the owner himself: And in the second case, it is a real loss to the State, and occasions the falling of exchange, which makes our trade disadvantageous. This is what was, and always will be, the effect of reforming the Coin.

The recoinage, in consequence of the edict of *November* 1716, does not remedy the evil; it still lets that difference subsist which was ruinous to the State: Thus it may be said, that we labour ourselves to make our commerce lose all the advantages which nature and the industry of our inhabitants give it beyond that of our neighbours, and that we expose ourselves to their just ridicule upon this account.

## VII.

The revenues and commodities of the Kingdom being estimated by Money, we cannot raise the numerical value of the Coin, nor debase it in any manner whatsoever, without raising the revenues and commodities at the same time, and in the same proportion: Otherwise, every debasement of the Coin will always be burdensom to the King and to the Nation, as is shewn in the 7th article of the first chapter of these remarks.

It is also demonstrated, that if revenues and commodities rise in proportion to Money, the raising the Coin will then have no other effect but that of swelling accounts. It will favour the Debtor or the Seller, to

the prejudice of the Creditor, or of the Buyer. In other respects, all things will remain as they were before the rise of the Coin, which of consequence becomes useless; a proof that Money ought never to be raised: This expedient wounds equity, and ruins trade; insomuch, that whenever the law of the Prince shall give the current gold and silver Specie of the Kingdom a value exceeding the weight and standard of the metals they contain, that Specie then expressing a false value with respect to foreigners, who admit nothing into the account but weight and standard, becomes a false measure against ourselves, in the valuation of the goods we send abroad; because the whole value given by the law to our current Money is taken through all the King's dominions in payment of the price at which our goods are estimated: The value of our natural goods is consequently paid and measured by Money, that has not in itself all that real value it expresses; whence it follows, that foreigners, who carry off the goods of our growth, our arts and manufactures, upon the foot of what they are valued at in the Kingdom, do not pay us to their full value.

## VIII.

The examples we have in the recoinages and reformations of our Money by the edicts of *May 1709, December 1715, November 1716, and January 1726*, prove to us invincibly, that every time we make any alteration in our Specie, whether by raising or lowering its numerical value, or by reforming it, or in fine, by melting it over again, in order to coin it anew, and, with a view to procure supplies to the King, leave too great a difference or disproportion between the value of the new Specie and that of the old; in that case, the Specie that is lowest rated will be hoarded up, or carried abroad. The temptation of this profit will always induce our traders, the *Billonneurs*, or unlawful traders  
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in Money, and even foreigners, to export those pieces that give the least price. Moreover, the frequent variations in this measure, the royal mandates, publish'd before the time, to advertise the rise or fall of the Coin, arrets of prorogation of a term fixed by preceding ones, give a check to industry, and dishearten every body. Our ancestors were wonderfully sensible of the burden of this grievance. It was in order to get rid of it, and to obtain a fixed and uniform Coin, that they chose rather to be burden'd with the imposition of the *Aydes* and *Tailles*. The nation would be considerable gainers at this day, if, in imitation of them, we would buy off from every King, during his own reign, the duty of Seigniorage, which *Charles VII.* reserved to his successors.

To diminish the Specie a half in the standard or weight, without lowering its value, or to raise its numerical value a half, without raising its weight or standard, is exactly the same thing. Consequently, the Author of the *Political Essay upon Commerce*, p. 177 and 178, grants, that the raising of the numerical value of Money, turns to the King's loss, and to that of the State, in favour of foreigners. Here we are perfectly agreed. This is even all that we had a mind to prove to him by our remarks; but the other passages in his book, pointed out in this work, both before and after this, appear to us quite opposite to that maxim, and difficult to be reconcil'd to it.

What this Author calls *exact proportion in Monies*, is nothing else but a *distribution*; or an *exact subdivision of the Lewidor, or Crown into its parts*. He has said nothing of the different proportions that are to be observed with a great deal of precision in the Coins and their metals. And as it is of importance to know them, we speak occasionally of the proportion between the standard of Gold and Silver, from which it is dangerous to swerve; of the fundamental principles which naturally arise from it; of the proportion between Gold and Silver

wrought or coined; and between those two metals not wrought or in bullion, with the consequences which follow from thence, and which are of the greatest importance; and lastly, we speak of the proportion between the numerical value given to the one and to the other of those metals coined and not coined. We shew next, that high proportion makes Gold dear and Silver cheap, and on the contrary, that low proportion makes Silver dear and Gold cheap. It is to these differences in proportion that the exportation of the cheapest metal is owing: Thus the proportions cannot be settled with too much exactness,

## IX.

There are some slight errors in what the Author advances, p. 247 and 248 of the *Political Essay*: Of these we have taken notice, and shew him, that the exchange can never be against us, but when we are owing by the balance of trade; and that it is for us, and to our advantage, when foreigners are owing to us. These two cases cause the inequality of the balance: If it is equal, the compensation is made; neither of the two is in the other's debt, and the exchange is at par.

The Author thinks justly about the exportation of Money. He says, p. 247, that most people look upon it as a thing pernicious: *Do they imagine, it is a present we make our neighbours?* These are his words; but as he stops short here, and what he says is not, we think, sufficient to convince those who look upon that exportation of Money to be pernicious, we endeavour to supply what he wants, by shewing, that the great thing the trader has at heart is, to gain that metal, that he never parts with it but when he can do no better; that all the Money in the Kingdom is owing to his industry and labour; that when he imports it, we are favourable to him; whereas we look upon the export of it as a crime against the State, while the State, in the mean time, suffers no prejudice thereby; that be-

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sides, this deprivation of liberty is a great obstacle to our trade. It likewise implies this injustice, that we will needs be paid what is owing to us, and yet would be excused from paying what we ourselves owe. It would therefore be better to set a duty upon the export of Money, as *Spain* has done, than to prohibit it to no purpose.

X.

The strength and power of a State depends upon the number of its inhabitants, and the number of inhabitants is always proportion'd to the quantity of Specie that circulates in that State; and as there is not enough of Specie to circulate all the productions of nature and art, representative Money is indispensibly necessary to supply the defect of Specie, to bring in plenty, and to give value to estates and industry, and, in a word, to make trade flourish.

XI.

The rent-charges or money-duties have not risen in proportion to Money: This shews us, therefore, that the advance or numerical rise of Money has not produced, as the Author will have it in the 210th page of his book, the same advance and rise in the farms of lands, and in all sorts of merchandise. You will see afterwards, in the 15th article of this conclusion, what we say of commodities.

If the raising of Money is for the advantage of the King, as the Author alledges in the 217th page, then *Lewis XV.* will be richer than any of his predecessors, because he has much more as to the tale than they had.

XII.

By comparing the revenues of *Lewis XII. Francis I. Henry II. Francis II. and Henry III.* with those of *Lewis*

*Lewis* XV. we find that those Princes, each of them with his lower revenue in tale, were richer than *Lewis* XV. with his larger one; since this Monarch is not able, at this day, to supply his exigencies to the same degree as those Princes did. These calculations we prove by another, that is distinct from the preceding ones.

## XIII.

The price of commodities has, at the long run, risen a great deal more than that of Specie, altho' at the time of a rise of the Coin, commodities rise not at first so high as the Specie: The merchant and trader are easily determined to raise their prices, but they are not so ready to bring them down.

## XIV.

Plenty of Money, and the raising of its numerical value, having made the price of all things to rise, while revenues and money-duties have not risen in the same proportion, it is plain that this plenty of Money, and the rise of its numerical value, have been contrary to the interest of all proprietors of those revenues and duties, and that they are really less rich than they were, since they cannot lay out the same expences now that they could have done then.

## XVI.

To shew that the numerical rise of revenues has been in proportion to that of commodities, the land or house which was let out for one Pistole under *Lewis* XII. ought to have been let for 22 Pistoles at present, which is by no means so in fact: Thus the advance or rise of the numerical values has not produced, as the Author alleges in his 210th page, the same rise and advance in the farms of lands, and in all sorts of merchandise; which is conformable to the 11th article above.

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## XVI.

It is true, that the King receives more, as to tale of pieces ; but his revenues not having risen in the proportion of commodities, this dearth of commodities is prejudicial to him, since it occasions an additional expence, which is so much clear loss to his Majesty : This additional expence cannot be thought a thing indifferent to him ; consequently, the raising of the numerical value is still contrary to the interest of the King and people, as debtors.

Farther, there are more buyers than sellers, and consequently more losers than gainers. The dearth of commodities is therefore as far from being indifferent, as an additional expence. All which is quite opposite to what our Author lays down in the 212th and 217th pages of his book.

## XVII.

The rise and recoinage of Money in 1709, leaving between the old and the new Specie a difference of 23 $\frac{1}{3}$  per cent. occasion'd a great disorder, and is an exception to the general rule, that advantageous commerce brings in Gold and Silver into the State that has the advantage.

The crying down of those old Species on the first of *January* 1710, was very much to our advantage, and the bringing them again into commerce by the declaration of the 7th of *October* following, was hurtful to us, by reason of the difference that still subsisted between their value and that of the new. It was a year before we were fully sensible of this disorder : it was remedy'd in part by the declaration of *October* 24, 1711, by raising the value of those old Species, to bring it near to that of the new. This fact furnishes us with a very plain proof, *That a State never ought to give two different values to one and the same Specie.* There was still a disproportion between the old Specie and the new, which caused the  
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old to be preferred, and that preference hinder'd its circulation.

The old Specie was not brought into the mints so quickly, nor in so great quantities as could have been wish'd, in order to its circulation; attempts and threatnings had been used to lower it, but to no purpose; the only true way to cause a free circulation of those pieces of old Coin that still remain'd in the Kingdom, was to quit the profit of their conversion, by bringing them near the value of the new Specie, which was at 40 Livres the Mark. This was done for a time; they were rated at 39 Livres the Mark on *December* 10, 1712: This expedient was no sooner taken, than the exchange, and consequently, our commerce got the better of that of our neighbours. Which shews, with the highest evidence, the infinite harm we suffer by such a disproportion, when it subsists between the old and the new Specie; and that heavy Money is no impediment to trade,

### XVIII.

As there are none of our neighbours but take a great deal more of our commodities, arts and manufactures than we take of theirs, our trade will always have the advantage above theirs, so soon as we shall see the numerical value of our Money fixed and uniform, whether this value be high or low: Thus the advantage of our trade is in our own hands; we have only ourselves to blame, if it is not perpetual; the fruitfulness of our country, the situation of our seaports, and the activity of our people, offer and secure to us a superior commerce.

We see proofs of what we here advance, after the declaration of *December* 10, 1712, after the last of the eleven falls of our Coin in 1714 and 1715, which was on the first of *September* the same year 1715. The gradation of exchange, which rises very quickly to the par, and even exceeds it, plainly shews, that credit recovered



recovered vigour, and our trade the ascendant, notwithstanding the Visa of the King's effects by arret of council *September* 28. and by the declaration of the 7th of *December* following, which kept up a want of credit, impeded circulation, and consequently affected exchange and commerce. At that time the Silver was only 28 Livres the Mark. We continued to have the advantage after the edict of *August* 1723. which lowered the reformed Specie, raised the unreformed, and reduced Silver to the rate of 69 Livres the Mark, which made a very light Money: Thus we may lay it down for a maxim, that our trade is advantageous to us, whether the value of Money be high or low, provided it be fixed and uniform: After the four great falls of the Coin in 1724, which brought down the Mark of Silver from 75 Livres, at which it was, to 40 and 41 Livres 10 Sols: And lastly, after the arret of *June* 15, 1726, which regained to us the advantage; and as from that time our Coins have been fixed and uniform in their value, we have also continued to have the advantage in the exchange, and consequently in trade.

The Author of the book, which is the subject of these remarks, will, perhaps, attribute the continued advantage our trade has had since that arret of *June* 15, 1726, till this present *April* 1736, to the raising of the Specie, which he defends: But we foresaw this objection, and have answer'd it in the places quoted at the foot of the page \*, that he may take the trouble to have recourse to them.

## XIX,

Of all the alterations that can befall Money, that which has most influence upon our commerce, and does it the most harm, is the raising of the numerical value, because it has no other effect, but that of raising the price of commodities, arts and foreign manufac-

\* Art. 6. p. 240

tures to our prejudice, and of lowering our own in favour of foreigners ; and, in short, because instead of being advantageous, it is prejudicial to us in all respects. Such as,

1. When commodities rise in proportion to the Specie, 20 *per cent.* for example, or one fifth.

2. When commodities rise in a lower proportion than Specie, as a tenth for instance, when Money rises a fifth.

3. When commodities remain at the same rate, though the Specie rises.

These are all the cases that can happen, and which ought to shew us the advantages which our Author alleges would follow from the raising of Money, as you may see in the 202d, 205th, 235th, 237th pages of his book, No. 2, 3 and 4. And again, in 207th page. Thus what he says, is the furthest possible from agreeing to the several facts which we have here stated ; but these facts are correspondent to the sentiments of M. *Mun*, *Locke* and *Law*.

Proofs of the same facts follow from the comparison made by the Author of the *Political Essay* between the King's revenue in 1683, and that in 1733, in the 19th chapter, 235th page of his second edition ; from the rise of the Coin in the month of *May* 1709 ; from that of *December* 1715. There we see a capital error in the affair of Money. The recoinage in *November* 1716, suffered the evil still to subsist without remedying it. In the beginning of 1723, the disorder was great : The same Specie had three different values. The mere report of a recoinage and rise of the Coin, which was spread at the beginning of *January* 1726, did us considerable harm. The recoinage and rise which had occasion'd that report, took effect in consequence of the edict of *January*, publish'd *February* 4, 1726 : That edict confirms the sixth fall, which had been advertised by the arret of *December* 4. 1725, to be against the first of *February*.

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These various changes of our Coin gave such a violent shock to the exchange, that it was at a stand for some days. The government very soon found that the effect of that disorder would be to cause our old Specie to be transported into foreign countries, considering the profit that was to be got thereby. In order to remedy the same, and to keep up the exchange, sums of Money were put into the hands of the Chevalier *Bernard*, to be sent over to *Holland*, and to furnish letters, whereof the King was to bear the loss. As a remedy for that disorder, occasion'd by the edict of *January 1726*, it was thought proper to raise the numerical value of the new Specie: Accordingly it was raised a fifth by the arret of *May 26th* thereafter: This rise made us really lose  $6\frac{2}{10}\%$  *per cent.* And this loss would have been yet more considerable, had it not been that the old Specie was raised  $30\%$  *per cent.* at the same time that the new was raised  $20\%$ , and thereby their value was brought within  $10\%$  *per cent.* of one another. The effect of this rise of the Coin was, to oblige the Creditor to content himself with five sixths of what was due to him. This was to favour the Debtor, as our Author would have it, according to the maxim he lays down, p. 174. But this expedient is in itself unjust; by favouring the Debtor, it ruins the Creditor: Proprietors of lands, houses, rents, &c. are in the case of the Creditor. The King himself is in the same situation, because he is Creditor to all his subjects for his whole revenue, whereof in that case he gets only five sixths. We see here the deplorable state our commerce was in at the end of 1726, and also at the beginning of 1727. The arret of *June 1726* was of infinite benefit to it, by bringing the rate of the old Specie near to that of the new. All these facts shew us, that of all debasements of the Coin, the raising thereof, which our Author defends, is the most dangerous.

## XX.

The falls of Specie, though not favourable to commerce, yet they are not attended with consequences quite

quite so dangerous as the rises; they are only hurtful to it while they are passing: Thus the more quickly they pass, the less will the State lose, because the foreigner will have less opportunity to take advantage of them. Those falls would do less harm, if fear, which acts always more strongly than hope, did not force persons to keep up their commodities, rather than sell them at a reasonable rate, by reason of the apprehension they are under of losing upon Money; the effect whereof is to make commodities rise at the very time they ought to fall in proportion to the Specie.

Whence it follows, that the inconveniencies of lowering the Coin not being so dangerous as those of raising it, there is consequently less reason for favouring the Debtor by raising the Specie, than there is for favouring the Creditor by lowering it; the best way, however, is neither to raise nor lower the Coin: These maxims are still opposite to what our Author advances in the 174th page of his book.

### XXI.

The apparent profit which arises to our Kings from our frequent alterations of the Coin, is little or nothing in comparison of the damage which they sustain in the issue, and the losses which they bring upon the nation. Whence it follows, that if the people are able to bear a tax of whatever nature, so it be but proportion'd to the abilities of each, that tax is still to be preferred; because it will always be more advantageous to the people, and to the King himself, than an alteration of the Coin. And if the people are so far over-taxed, as not to be able even to clear their ordinary charges, every other method of raising the supplies his Majesty may have need of, is still preferable to the alteration of the Specie. It is therefore for the interest of the King and of his subjects to renounce for ever all alterations of the coin: They are dangerous expedients, which are not practised by any of the nations that understand the nature

nature of Commerce and of Money, and who are concern'd to observe the rules of equity.

The plain, the solid, and continued advantage which our trade reaps, from the steadiness and uniformity which the present government has so wisely maintain'd in that measure, since the arret of *June 15, 1726*, to the present year 1736, ought to open our eyes. We have the pleasure to see that the maxim at present is to observe the rules of justice, and not to alter the Coin. The present Ministry is not ignorant that Money is the necessary instrument of our reciprocal exchanges, and the measure that regulates the value of exchanged goods; and consequently, that it ought no more to be altered than other measures, whether the taxes be sufficient to answer all the charges of the State, or if they are not; whether they be levy'd with facility or with trouble; all which is opposite to what our Author says in p. 198, 202, 205, 237, and 270 of the *Political Essay upon Commerce*; but it is what we have endeavour'd to prove in the course of our remarks.

In short, we reckon the Specie ought never to be meddled with, except by recoinage, when, through length of time, the waste and much wearing of the Coin makes a recoinage necessary and unavoidable; and of this the King ought to bear the charge, without allowing the publick to be losers. In that case it will hold true, that submitting to a loss when seasonable and well-timed, proves a considerable gain.

## XXII.

The means which we use for procuring what things we want, and of putting off our superfluous commodities, is what we call Commerce. The variation in the value of goods is owing to three causes. The culture of the ground and industry are the source and principles of all the riches that men enjoy, and consequently, the two principles of the revenue. The fruitfulness of a State and the industry of the people, are the two sources of commerce; and the diversity of goods which  
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a fertile country produces, is what constitutes the solidity of commerce. Commerce may either be advantageous or disadvantageous. It is necessary that there be some certain method of knowing the one and the other. *France* has advantages for commerce more than any other nation. It were to be wished, that the nobility would apply themselves to wholesale and maritime trade: This has nothing in it but what is honourable, of which antiquity furnishes us with illustrious testimonies. We have maritime and trading towns as well as the *Romans*. Maritime forces are necessary to the power of States. Navigation is the soul of commerce, and the means of raising the power of the King. We shew what the navy cost in 1681. *He who is master of the sea, is master of all*. It is therefore necessary that *France* have a powerful navy. We give a list of our seamen, as it stood in 1713. In early times the nobles and commons equally traded. It is navigation and commerce that constitute the power of *England, Holland, Genoa, Venice, &c.* We make it appear, that for the good of our commerce and navigation, it is necessary we should have a secure port towards the middle of the Channel, and that it would be very well situated at *La Hague*, in *Lower Normandy*.

*John de Wit*, says in his memoirs, chap. 14. p. 63. the *Hague* edition 1709 in 12mo. "Navigation, the fishery, commerce, and manufactures, are the four pillars of the State; that these ought not to be weakened nor incommoded by any incumbrance whatsoever; for it is they make the inhabitants to subsist, and enrich the country, by bringing into it foreigners of all sorts, &c."\*

Those citizens, who, by the wealth they draw into the nation from foreign countries, make most of the inhabitants to subsist, and consequently, are the greatest supports of the State itself, deserve honour and favour preferably to all others.

\* He also proves the necessity of navigation and commerce from what he says of *Sidon* and *Tyre* in ch. 2. of the third part, p. 276.

